London, Monday, August 17, 1998

Speculation Abounds on **How Clinton** Will Testify

Even the First Lady May Not Know Details; Advisers Soften on Starr

By Bob Woodward

WASHINGTON — President Bill Clinton's lawyers believe he has decided to change his story about his re-lationship with Monica Lewinsky and will testify this week that he and the former White House intern engaged in sexual activity, but he will not admit to perjury, according to a person who has spoken with the president and his legal

- As he prepares for the questioning Monday by the independent counsel,

Clinton's legal pitfails. • Testimony in historic room. Page 3.

Kenneth Starr, this person said, the president must confront a painful obstacle: how to explain his behavior to his wife, Hillary Rodham Clinton, and their daughter, Chelsea.

"He has not prepared the family," this person said Friday, anticipating an agonizing weekend for the Clintons. "He has got a lot of work to do with the

The first lady, whose steadfast de-fense of her husband in January set the tone for his political revival at a moment of peril, is aware that there is a significant problem with Mr. Clinton's January testimony in the Paula Jones case and his public denials of a sexual relationship, but she is not fully aware of the details. "She knows but she doesn't

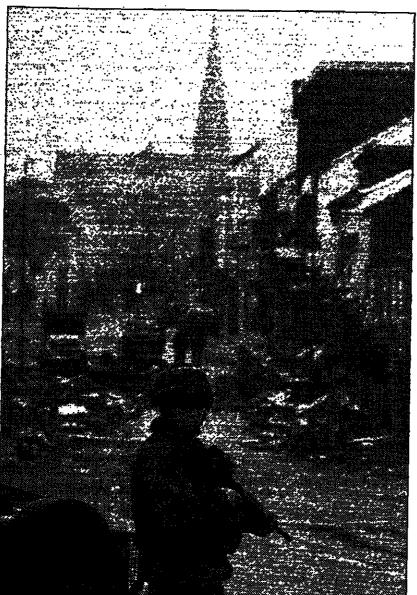
know," the person said.

Presidential advisers cantioned that
Mr. Clinton could change his mind before giving testimony, that he is a man
given to taking advice right up until the final moment and then altering strategy. But even if he goes ahead with the decision to admit to some kind of sexual activity with Ms. Lewinsky, his testimony remains perilons, both legally and politically.

The president and his lawyers hope that Mr. Starr would accept a presidential recantation magnanimously, according to this person, but Mr. Clinton understands he cannot appear evasive in his closed-circuit television ap-

See CLINTON, Page 3

'WE WILL NOT LET THESE PEOPLE WRECK THE FUTURE'



A soldier guarding the devastated shopping district of Omagh on Sunday, a day after a car bomb killed 28 people and wounded more than 200.

Britain and Ireland Pledge To Avenge Ulster Bombing

OMAGH, Northern Ireland - Prime Minister Tony Blair of Britain and his counterpart in Ireland, Bertie Abern, vowed Sunday to apprehend those responsible for a devastating terrorist bomb here that killed 28 people and wounded more than 200.

"We have agreed the two govern-ments will work together and will do everything possible in their power to hunt down those responsible for this outrage," Mr. Blair said, standing alongside Mr. Ahem.

The police suspect the car bomb Saturday afternoon had been planted by IRA dissidents determined to shatter Northern Ireland's fledgling peace accord, the province's police chief said

Sunday.
"We will not let these people wreck

the future." Mr. Blair declared in Belfast. "The future belongs to the decent people of Northern Ireland. It does not belong to the criminals and psycho-

The blast in Omagh, a religiously mixed town west of Belfast, came less than three months after voters in both parts of Ireland overwhelmingly approved plans for a new Northern Ireland government with power shared between its majority Protestants and minority Roman Catholics.

It was the single worst terrorist incident in the 30-year history of sectarian warfare in the British province. There was no claim of responsibility

for the attack.

But police officers investigating the bombing were focusing on a dissident Republican group calling itself the Real

IRA, which has emerged in the last

The main wing of the Irish Republican Army backed the new peace agreement, but there remain platoons of self-styled "hard men" who chose to go on

Seamus Mallon, the deputy first min-ister of Northern Ireland, said the bombing would lead to a police crackdown on

such individuals. Northern Ireland's moderate Catholic leader, John Hume, said "undiluted fascists" were responsible, "Obviously they're trying to impose their will by murder on the people of Ireland, north and south," he said.

Gerry Adams, leader of the IRA's political wing, Sinn Fein, also con-

See ULSTER, Page 7

Deadliest Attack of 29-Year Conflict

By James F. Clarity
New York Times Service

OMAGH, Northern Ireland -Brenda Logue, described as an ordinary teenager full of laughter and hope, died abruptly at about 3: 10 P.M. on Saturday, her blood spilling on the pavement of Market Street, as she became one of the 28 people killed and more than 200 injured by a 500-pound car bomb.

The attack was the deadliest terrorist atrocity in 29 years of sectarian violence in this British province. The bombing, at

the height of the shopping day, stunned Omagh, which is mostly Roman Cath-olic, and the rest of this predominantly

Protestant province. On Sunday afternoon, dozens of people still sat blank-faced, many weeping, at a community center operation set

ing, at a community center operation set up to find people still missing.

"One day I was watching the bombs against America in Africa," said Michael MacAnespae, a 54-year-old mushroom farmer. "We thought all that was behind us here. But suddenly it's back on your own doorstep.'

No group has claimed responsibility for the attack, but police and political leaders, both Protestant and Catholic, said that the atrocity was the work of a group calling itself the Real IRA that has splintered from the overwhelmingly Catholic Irish Republican Army The IRA. itself has been observing a cease-

fire for 13 months. Both Catholics, who comprise 70 percent of the population of the town, and Protestants were killed in the blast.

See BOMB, Page 7

Blast Suspect

Is Arrested in

Pakistan and

Taken to Kenya

Compiled by Our Staff From Desputches

ISLAMABAD, Pakistan - A sus-

2 Sides in Congo Prepare to Fight for Capital

By Howard French New York Times Service

KINSHASA, Congo — After several days of relative quiet in their brief war, both the government and rebel forces here began furious preparations Sunday for what each side expects to be critical fight for control of Kinshasa, the country's capital.

The rebels, who independent witnesses said were already firmly in control of the strategic western port city of Matadi and the nearby Inga dam, have re-portedly cut off fuel and most food supplies to the capital and were massing about 240 kilometers (150 miles) west of Kinshasa.

his January deposition in the Paula

Jones case. Seven months ago, 52 per-cent said they believed Mr. Clinton and

Ms. Lewinsky had a sexual relationship,

and 49 percent said they thought Mr. Clinton had lied about it under oath.

that have cascaded forth in the days

before Mr. Clinton's grand jury testi-mony underscored how little the scandal

has tarnished his approval rating. The

Pew survey pegged it at 63 percent; Gallup said last week it was 64 percent;

Newsweek, in a poll released over the

in January and has not been rekindled

either by the immunity deal that led to Ms. Lewinsky's appearance before the

grand jury 10 days ago or the relentless

media attention surrounding Mr. Clin-

ton's testimony Monday at the White

what happened, and think they know all

the facts they need to know, they don't

want to hear about it, and we passed that a long time ago," said a Republican pollster, Robert Teeter. "I really don't

know anybody who is interested in this

elected politicians and party strategists are weighing this weekend is whether

See POLLS, Page 3

The question White House advisers,

story anymore.

"Once they're satisfied they know

Public interest in the scandal peaked

weekend, found it at 59 percent.

But the most recent round of polls

Vowing a fight to the end, despite a string of major reverses, meanwhile, the government of President Laurent Kabila, said that it had rushed about 8,000 recently trained troops from a southern military base toward Kinshasa, where large amounts of weapons have also been steadily arriving.

In a last-minute gambit to shore up his positions, Mr. Kabila flew Sunday to Luanda, the Angolan capital, for meetings with that country's president. Jose Eduardo dos Santos, in which he was expected to plea for heavy direct support against the in-

The Congolese president was expected to return to Kinshasa late Sunday after his meetings in Angola,

and a heavy security presence could be seen all along the route he would take from the airport.

Mr. Kabila has spent the last several days in Lubumbashi, capital of his native southern Katanga region. With the rebels known to be advancing, his absence from Kinshasa was seen by many as a sign of

imminent defeat, at least here. The question of Angola's position in the war, which pits Congolese mutineers backed by experienced Rwandan military planne logistic support against a disorganized and poorly trained, if larger, government army, has been seen as

See CONGO, Page 7

People's Verdict: Enough

Americans Have Already Decided, Pollsters Say

By Dan Balz Washington Post Service

WASHINGTON — On the eve of President Bill Clinton's testimony in the Monica Lewinsky investigation, the American people have delivered a clear message to the scandal-obsessed city of

Washington: Get this mess behind us.

Bombarded by round-the-clock coverage and polled from every angle,
Americans already have come to firm conclusions about the Lewinsky matter that polisters say only a bombshell revlation is likely to change. They believe the president had sex with the former White House intern, they think he has lied about it and they still approve of the job he's doing running the country.

They are more apt to judge the president as probably guilty and more likely, ironically, to think the Clinton presidency should not end as a result of his probable guilt," said Andrew Ko-hut, director of the Pew Research Center, whose most recent poll was taken

Still, the president has suffered significant personal damage — a "character gap," as one analyst describes it — as a result of the Lewinsky investigation, according to numerous measures of public opinion, and he faces the prospect that his presidential legacy will be shaped as much by this and other scandals that have plagued his admin-istration as by what he has done in

In the latest Pew survey, 70 percent of those questioned said Mr. Clinton probably or definitely had a sexual rela-tionship with Ms. Lewinsky, and 66 percent said he probably lied about it in

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AGENDA

When It Comes to Asia's Woes, Economists Can't Agree on Much

Are Asia's economic problems nearing an end or have they just begun? I'wo widely divergent views are emerging about what shape a new Asia will take. Russia says its financial situation is under control as it tries to reassure investors amid growing speculation that the government will have to devalue the ruble to meet its obligations. Despite the daily expressions of global concern about financial instability in emerging markets, the distress in many of the developing countries and in Japan is a windfall for the United States and for Germany, as well as for some other European nations. Page 11.

White House Weighs Tobacco Suit

String by the collapse of anti-smoking legislation, the White House is considering filing a lawsuit against tobacco companies

on behalf of the government's Medicare program.

White House officials are said to favor a Medicare lawsuit if they can overcome concerns among some administration attorneys, primarily within the Justice Department, about its chances of success.

Their argument may have been boosted Friday by a court ruling that weakened tobacco regulation. Page 3.

Schumacher Wins in Hungary

Michael Schumacher won the Hungarian Grand Prix Sunday and closed the gap with Mika Hakkinen in the Formula One

Schumacher took the lead nearly two-thirds of the way through the 77-lap race. His fifth victory of the season gave him 10 points and left him trailing Hakkinen by only seven points with four races left in the championship. Page 18.



PULLING OUT - A Yugoslav tank gunner giving a nationalist victory sign as his unit left Junik on Sunday after seizing the border community from ethnic Albanians. Page 5.

Crossword.. Page 16. ... Page 8. Pages 16-18.

pect in the bombing of U.S. embassies in Kenya and Tanzania was arrested in Pakistan and handed over to Kenyan-authorities, the Pakistani Foreign Ministry said Sunday. A brief ministry statement said the suspect, identified as Mohammed Sadik Howaida, was arrested and interrogated To fight terrorism, U.S. takes another look at retaliation. Page 2. soon after his arrival from Nairobi at the airport in Karachi. Pakistan, on Aug. 7, the day of the nearly simultaneous bombings that killed 257 people in the two countries. The U.S. embassy in Islamabad declined immediate comment. On Saturday, U.S. authorities in Washington said CIA agents were headed to Pakistan to question the man and accompany him to But a Pakistan government source,

investigators followed on another plane,

There was no comment Sunday on the matter from U.S. officials. On Saturday, law enforcement officials in Washington said several other people also had been arrested in Pakistan, and that they were suspected of being associated with Osama bin Laden, a Saudi-born businessman who has vowed to wage a holy war against the United States.

who insisted on anonymity, told The

Associated Press that U.S. investigators

were denied access to Mr. Howaida.

Pakistani officials carried out the in-

terrogation and decided to fly him to

Nairobi on a Pakistani plane and turn

him over to Kenyan instead of to U.S.

authorities, the source said. The U.S.

The officials declined to specify the nature of the evidence connecting Mr.

See ARREST, Page 7

From Defector, an Inside Look at Iraqi Drive to Get Nuclear Bomb

By Judith Miller and James Risen New York Times Service

NEW YORK - An Iraqi scientist who defected to the United States has publicly described for the first time the inner workings of Iraq's three-decade

effort to build a nuclear bomb. The scientist, Khidhir Abdul Abas Hamza, said that before he fled Iraq in 1994 he helped train a cadre of young scientists who, working with more senior scientists involved in other projects, would be capable of quickly resuming Iraq's atomic weapons program if the United Nations cuts back on its inspections and, ultimately, lifts economic

Mr. Harnza is the highest-ranking scientist ever to defect from Baghdad, and his comments, in nearly 10 hours of interviews, come as a new

confrontation is building over whether Baghdad has dismantled its chemical, nuclear and biological programs. Iraq has in recent days refused to co-operate further with UN weapons inspectors.

In the interviews, Mr. Hamza, 59, whose defection was an important intelligence coup for the United States that nearly slipped through American fingers because of the CIA's inattention, drew a chilling picture of life as an Iraqi scientist. He said his colleagues were lavishly rewarded for their successes and tortured by the secret police when they failed to deliver.

He said Iraq's nuclear weapons program was personally directed by Saddam Hussein, Iraq's leader, since its inception 27 years ago. It was abetted, he said, by a bost of Western companies, which sold Iraq sophisticated equipment as they "winked and laughed" at patently false cover stories.

On the eve of the Gulf War in 1991, Mr. Hamza said, Iraq had completed all the research and testing needed for an atomic weapon and was feverishly trying to make at least one crude bomb using uranium from civilian reactors. This effort, Mr. Hamza said, could have produced a bomb in a few months, but it was disrupted by the allied bombing campaign.

Only after the war did U.S. intelligence officials learn that they had grossly underestimated Iraq's nuclear program, which they had believed to be 10 years from producing a nuclear bomb. But Mr. Hamza's defection to the United States and his subsequent debriefing by the CIA brought fresh details to light, including these:

 Iraq's peaceful nuclear power program, begun 30 years ago, was quickly turned into a cover for the secret bomb program, which went ahead even

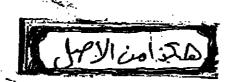
as Baghdad opened up its research reactors to Western inspection.

• Israel's intensive campaign in the 1970s and '80s to stop Iraq from acquiring a bomb accomplished little. The 1981 Israeli bombing raid that destroyed Iraq's French-built Osirak nuclear reactor prompted Mr. Saddam to drop the pretense of a peaceful atomic effort and to go "full steam" on a covert program to build a bomb.

 Iraq took advantage of America's open access to valuable scientific information. Mr. Hamza said that as a senior member of Iraq's nuclear program, he spent time at American university libraries studying the latest scientific journals and technical accounts of America's nuclear efforts.

Mr. Hamza said he was speaking out now be-

See IRAQ, Page 7



PAGE TWO

A Cold War Curse / No Money for Cleanup

Russia Is Unable to Rid Itself of Rotting Chemical Weapons

By David Hoffman ashington Post Service

EONIDOVKA, Russia — In a verdant pine forest sprinkled with birch trees, the lush growth suddenly disappears. Underbrush gives way to a black ulcer on the earth. In the clearing nothing grows, not

Vladimir Pankratov, a gray-haired former Soviet military man who is now an environmentalist, kicked at the ground on the edge of the dark clearing in the woods. He kicked again and again. He poked a stick into the soil - and pried

up the nose cone of an aerial bomb.

This hole in the middle of a Russian forest is an uncharted chemical weapons graveyard. Buried here are vintage World War II aerial bombs. filled with a mixture of deadly lewisite, a blistering poison gas, and yperite, a sulfuric mustard

gas.

These abandoned bombs are a visible symbol of Russia's chemical weapons nightmare. Russia has more chemical bombs than any country, and it cannot get rid of them, or even find them all. More than 36,000 metric tons of chemical weapons are stored in officially declared military depots. But thousands of other bombs lie in abandoned and uncharted weapons dumps, like this one. The Russian military, which created these undeclared dumps decades ago, still denies

Entombed in the forest here by Soviet soldiers in the early 1960s and then forgotten, the bombs are coming back to haunt the environment of Russia. Preliminary tests by a team of experts working with Mr. Pankratov have found heavy concentrations of arsenic in the soil. Lewisite is 36 percent arsenic. The black, sandy scars on the forest floor give off a powerful metallic odor.

Moreover, the poison is spreading in an area where hundreds of thousands of people live. Water and soil tests by Mr. Pankratov's team show that arsenic is turning up in higher con-centrations than normal 4 kilometers (2.5 miles) away in bottom sediments of tributaries feeding the Sursk Reservoir. The reservoir provides drinking water for Penza, the nearby provincial capital, with a population of 530,000.

Penza, 560 kilometers southeast of Moscow, is located in the rich black-earth farming belt of southern Russia, part of the Volga River basin, which was home to much of the Soviet chemical

Arsenic is extremely toxic. In acute poisoning, violent stomach and intestinal inflammation and bleeding lead to massive losses of fluid and electrolytes, causing collapse, shock and death. Long-term low-level exposure can lead to other

ailments, including cancer. Not on any map, protected only by one distant sign warning people to keep out, the chemical weapons graveyard is a small glimpse of what is becoming a painful torment for Russia: the legacy of chemical and nuclear weapons production

during the Cold War. and into the seas from the Baltic to the Pacific, the Soviet Union and later Russia have dumped. buried, spilled and exploded chemical and nuclear substances. They were the ingredients or byproducts of weapons of mass destruction. They were the wastes of the Cold War. Now they continue to damage the land and people.

Although the Soviet Union has collapsed, a full accounting of the contamination it loosed on the environment has never been made. For most



Vladimir Pankratov, a Russian environmentalist, poking at part of a chemicalweapons bomb buried at an unmarked dump in a forest near Leonidovka.

of the Cold War, the Soviet Union kept the sources of this pollution — the arsenals and bomb factories — shielded by the strictest bomb factories — shielded by the strictest secrecy. Little is known even now about the clandestine dumping and destruction of chemical weapons and radioactive materials. Moreover, little is being done about it, despite the health risks. In some cases, the authorities simply deny a threat exists and continue to stamp the files "top segret."

the files "top secret."

"This place has been abandoned," said Mr.
Pankratov, surveying the chemical weapons graveyard, which lies less than 2 kilometers from one of the declared depots where nerve gas is stored. "No one is responsible for it. This information about old destruction sites hasn't been opened, it's still classified and we are talking about it now because we have to face the obvious. We are talking about a dangerous contamination of the soil."

The contamination may become an enormous economic burden on such a poor country. Russia simply cannot afford to clean up the poisons left behind by 50 years of dumping and discharge by the military and its bomb-making industry. The pollution is a health hazard, causing an increased incidence of cancer and other diseases for which no one wants to take responsibility, especially the beleaguered Russian military.

After an initial surge of citizen activism at the end of the Soviet period, Russians today are more focused on economic survival, sometimes

"People are indifferent," said Vladimir Verzbhovsky, a journalist in Penza. "Those who try to rouse public opinion are treated as clowns and not taken seriously. Life is so hard. Salaries haven't been paid, in some cases for years. And people think, how are they going to feed the children? People are aware they are living on a powder keg. But their current interests are different."

HE SMALL VILLAGE of Leonidovka lems, both inherited from the Soviet One is that Russia has the world's largest

supply of chemical weapons, which it promised by treaty to liquidate but now cannot afford to. The other problem is that, before the collapse of the Soviet Union in 1991, tons of chemical weapons were discarded by the military and forgotten, and they are now an ecological threat. No one knows where they are, or how much of the deadly poisons are leaching into the air, water

Leonidovka is near one of the uncharted chemical weapons dumps, hidden in the nearby forest. The village also sits next to a walled military base that is an official depot for thousands of tons of still-active chemical bombs.
Of the 36,000 tons of chemical weapons Rus-

sia has formally declared, the stockpile consists of 29,000 tons of nerve gases — sarin, soman and VX — and 7,000 tons of lewisite, mustard gas and mixtures of those compounds. They are

stored in seven depots, including Leonidovka.

Behind the high walls of the arsenal here are 6,800 metric tons of VX, sarin and soman gases packed into aviation bombs.

These are known as nerve agents because they attack the nervous system after inhalation or contact with the skin. They can kill within minutes at very low doses. The agent sarin was used in the Aum Shinrikyo cult's terrorist attack on the Tokyo subway system in 1995, which killed 12 people and injured thousands.

At Leonidovka alone, there is more than enough nerve gas, if distributed by individual doses, to kill every human being on the planet.

Residents are uneasy. "People feel concerned, there is no denying it," said Irina Molchanova, a deputy principal. She asked a visitor, "Do you think we are living on a powder

THE SOVIET MILITARY commissioned a plant in the city of Chapayevsk, in the Volga region, for destroying chemical weapons, but objections from citizens stymied the project before it ever went into full-scale operation. As a result, President Boris Yeltsin decided in 1992 that the chemical weapons should be destroyed in the seven cities

where they are stored.

Of the stockpile, 17.2 percent is at Leonidovka, in the Penza region; 13.6 percent at Shehuchye, in the Kurgan region; 18.8 percent at Penza region; 18.8 percent at Maradu. Pochep, in Bryansk; 17.4 percent at Maradykovsky, in Kirov, and 14.2 percent at Kizner, in Udmurtia. These five places hold nerve agents packed inside ordnance.

But at two other places — Gorny, in the Saratov region, and Kambarka, in Udmurtia — older chemical weapons, such as lewisite and sulfur mustard gas, are stored in giant vats, some nearly 50 years old.

But many chemical weapons are decaying in unmarked graveyards like the one in the woods near Leonidovka. Lev Fedorov, president of the Union of Chemical Safety, a citizens network, has estimated that the Soviet authorities dumped 450,000 tons of chemical weapons in three periods between the end of World War II and the late

During World War II, the small town of Gorny in the Saratov region mined oil shale for the war effort. When the mines were depleted on the bleak steppe, 800 kilometers southeast of Moscow, a secret warehouse was opened. The store-Russia's chemical weapons. It holds 204 tons of lewisite, 626 tons of mustard gas and 190 tons of mixtures. Most of the toxic materials are contained in steel vats with walls less than 1.3 centimeters (a half-inch) thick, which hold 54

General Stanislav Petrov, commander of radiation, chemical and biological defense troops, said these yats, filled in 1953, are the most risky and ought to be the first to be destroyed.

. mion Test **Protest Mars** South Korea **Amnesty for Dissidents**

By Don Kirk

SEOUL - The criminal record of the Korean poet and labor activist Park No Hae reads like a personal history of South Korea's transition from dictator. ship to democracy.

In the first few months after his arrest in 1991, Mr. Park said Sunday, he was "tortured and beaten like an animal". until finally he was sentenced to death for violating the national security law through his activities as a radical labor leader. Next, the death sentence was commuted to life imprisonment.

"Then, somehow, it was shortened to seven and a half years," he said, and he walked out of jail in the southeastern

city of Kyongju a free man Saturday.

Mr. Park was perhaps the best known of 103 "prisoners of conscience" who received annesty Saturday, the South Korean national day, marking both the Sorean national day, marking total the 53d anniversary of liberation from Japan and the 50th anniversary of the founding of the Republic of Korea.

Like all the others, however, Mr. Park

had to sign a pledge to "abide by Korean laws." As he left prison, he was greeted by chanting demonstrators wav-ing banners that read, "No to the lawabiding oath."

Overall, 2,071 prisoners were freed Saturday, while 13 others got reduced sentences and civil rights were restored for 4,820 people on parole.

The controversy over the pledge drowned out an effort by President Kim Dae Jung, a former dissident who served more than eight years in jail under dic-tatorial presidents, to heat deep differences among South Koreans and appear as a champion of human rights

"In principle, I don't agree with the pledge," said Mr. Park, explaining why he signed it. "I am merely complying with Kim Dae Jung's determination to resolve the problem of prisoners of con-

In contrast, he cited the record of Chun Doo Hwan, the former general who seized power in 1980 and gained a reputation both for corruption and

heavy-handed dictatorship.
"In those days the working class was a forgotten class," Mr. Park said. "People didn't get paid. There was violence in the workplace. There were no basic rights, Workers were like animals."

Also among those freed Saturday was im Seong Man, who spent 13 years in six different prisons. A former student at Western Illinois University in Mc-Comb, he was convicted of violating the national security law by meeting with North Korean officials in Budapest. ..

"I was arrested a month after getting back to Korea," Mr. Kim said. "At first I was treated badly. They would tie my hands together and put me in a room with no sunlight for some unreasonable reason." More recently, he said, "I was treated O.K."

In his last prison, in Taejon, about 160 kilometers (100 miles) south of Seoul, he often saw South Korea's longest-serving political prisoner, Woo F

and held for 40 years.

Mr. Woo and 16 other long-serving North Koreans led a movement to refuse to sign the pledge to abide by South Korean law.

'I saw Mr. Woo before I got out,' Mr. Kim said. "He didn't say much, but he was very disappointed.'

Kim Nak Jong, released after serving six years for meeting with North Korean propaganda agents, said the decision of Mr. Woo and the other North Koreans not to sign the pledge reflected fears for

their families. "They said their families are living in North Korea and, if they sign, North Korea will make it difficult for them,

As for about 100 others who refused to sign, he said they were mostly student radicals who only had a few more months to serve. More than 200 others who made a show of refusing to sign the pledge, he said, "are still awaiting trial and were not yet eligible."

To Fight Terrorism, U.S. Takes Another Look at Retaliation

By Steven Langer New York Times Service

WASHINGTON - As the Clinton administration rushes to prepare new budget requests to improve the security of U.S. embassies, officials and experts are increasingly discussing what may be a more efficient response to terrorism: Washington's failure to respond to the

1996 terrorist murder by truck bomb of 19 U.S. soldiers in Dhahran, Saudi Arabia, sends a message of vulnerability by scruple, the argument goes. In other words, America's need to find irrefutable proof of who

committed an attack before acting against the culprits may only forestall the kind of rapid and aggressive strike that could deter further terrorism. "The message being sent all over the world is that we're vulnerable, and our

allies are vulnerable," said Anthony Cordesman of the Center for Strategic and International Studies. "That won't be solved by more conferences and more gates, but serious thought about how you retaliate and punish. Iraq's president, Saddam Hussein,

who is engineering another crisis with Washington and the United Nations over inspections of his arms programs, is hardly the only one trying to gauge America's will.

William Odom, who was director of counterterrorism in the Carter White House, says he has come to a fairly simple view. "Terrorism at home is a crime: terrorism abroad is war." And if war is the issue, he asks, "why not act traffic for hours on one of Europe's

militarily?''

While retaliation must be founded on fact, some suggest that America's threats to retaliate to attacks like the bombing of its embassies in Kenya and Tanzania lack credibility because U.S. standards of evidence are too high for this kind of fight. The war against terrorism is an increasingly irregular war, with nihilism or cultural fury replacing political programs, and sponsorship increasingly hidden.

One principal suspect in the East Africa bombings, as well as in the Dhahran attack, for example, is a renegade Saudi financier, Osama bin Laden, who has been operating out of Afghan-istan with a fortune and a religious ideology, perhaps taking a role that states used to take - or shielding them from responsibility.

Dimitri Simes, president of the Nixon Center, a Washington policy institute, thinks there must be credible punishment for terrorism and a lower standard of proof to trigger it. In a world of sovereign nations, he says, "I don't believe you need the same level of proof

Brenner Road Opened

BOLZANO, Italy (Reuters) - The

Brenner highway, the main road con-necting Italy and Austria, was fully re-

opened Sunday, 14 hours after a land-

slide that killed five German tourists.

The mudslide paralyzed rail and road

stones and threatens to throw more, I don't think the level of proof has to be too high. And if you punish the wrong guy for a particular act, that's not even so terrible, if you know for sure that this is a bad guy.

But others, looking back to humiliating excesses in Vietnam and Central America, argue that Americans have never been particularly good at irregular warfare, perhaps because they are so uncomfortable with it.

Hollywood's Rambo aside. Americans get skittish about granting broad authority to the covert guys who break the rules, even to get the bad guys. After scandals at the CIA, President Gerald Ford issued an executive order in 1974 banning assassination, a stricture that Senator Orrin Hatch, a Utah Repub-

lican, now questions. Secretary of State Madeleine Albright is urging both relentless pursuit and patience. "We are not a nation that retaliates just in order to get ven-geance," she told nearly 800 State De-partment employees after the Africa

as a court of law. If someone throws bombings. Although "we would all like to go out right this instant and bomb somebody," she said, "I think that we've got to be careful about what we're doing and why we're doing it and if we're doing the right thing so that we can be true to ourselves."

But there is a middle ground, says Paul Goble, a former official with the State Department and the CIA. "If you have to make an American legal case, it's hard to do anything. If you say no standards are necessary, then you unleash worse problems. But you have to prove you mean business, and even our courts require no more than excluding reasonable doubt.

He and others point to President Ronald Reagan's order to bomb Moammar Gadhafi's residence after there was clear evidence of Libyan complicity in attacks on U.S. soldiers in Berlin. The then-assistant secretary of defense, Richard Perle, has said Colonel Gadhafi

understood the message and "behaved differently for years. There are levels of deterrence, of-

ficials and experts say, and America needs to improve its performance on all of them. Gates and setbacks for embassies are vital, along with improved intelligence, particularly by spies as op-posed to devices, says Robert Oakley, a former head of counterterrorism at the State Department. Even with improvements in these

matters, and a steady effort to bring

terrorists to justice, argues Steven Emerson, an authority on radical Islam, the most important element in counterterrorism is "preemptive strikes and covert action" to "disrupt the operations of the terrorists on their home turf." In 1996, he noted, the Clinton administration endorsed the idea of specialized units to infiltrate terrorist operations and disrupt them. "Unfortunately that has not been

WEATHER

| Court | Cour

Europe

Forecast for Tuesday through Thursday, as provided by Accultivether.

North America Europe

North America Europe
It may shower in New England Tuesday; otherwise. London and Paris Tuesday some sun; it could shower pleasent with plenty of sunsthine in the Northeast windy, rainy and much through Thursday. Partly windy, rainy and much through Thursday. Partly sunny and seasons will be in the northeast conable in southeastern some swill be in the northeastern en Rockles. Hot and dry in Southwast will have thursday and cool in Finand development. The Southwast will have thursday and cool in Finand development.

710

Balloonist's Contact Is Broken tance from the Australian coast.

ST. LOUIS, Missouri — Steve Fossett, the American balloonist seeking to circle the globe, lost contact with his control center over the South Pacific Sunday. His emergency locator beacon was activated, but it was not immediately clear whether he had gone down.

Mr. Fossett was in the 10th day of

his attempt to be the first to fly around the world nonstop in a balloon. His

last reported position was 500 miles

(800 kilometers) northwest of New

Caledonia and about the same dis-

"The Coast Guard has been alerted," a spokeswoman at Mr. Fossett's control center at Washington University in St. Louis said.

Mr. Fossett, in his balloon named Solo Spirit, was more than halfway finished with his quest for the record. There was nothing in the latest meteorological report issued by the control center to indicate that weather conditions were troublesome.

Mr. Fossett, who made three previous attempts to circle the globe, has traveled the farthest on this trip.

most important north-south routes at Fortezza, south of the Austrian border.

TRAVEL UPDATE

Uganda Tourism Up

KAMPALA, Uganda (Reuters) — Uganda is trying to revive its oncethriving tourist industry by promoting bird watching, gorilla tracking and mountain biking instead of the former high-cost big-game safaris.

But safety concerns still surround some of Uganda's prime tourist areas. Government figures show 220,000 foreign arrivals in 1997, more than three times the number a decade ago. This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holi-

MONDAY: Argentina, Belgium, Colombia, Hong Kong, Indonesia, Macan. WEDNESDAY: Afghan THURSDAY: Estonia, Hungary, N FRIDAY: Hungary, Portugal. SATURDAY: Bangladesh Sources. J.P. Morgan, Bloomberg, Reuters.

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THE AMERICAS

As Clinton Testifies, Pitfalls Await Him Wherever He Turns

By Nina Bernstein New York Times Service

NEW YORK - Veteran prosecutors of perjury cases and professors of law see some legal risks for President Bill Clinton, regardless of whether he contimes to insist that he did not have sexual relations with Monica Lewinsky, or acknowledges a certain kind of sexual contact and tries to reconcile it with his testimony in the Paula Jones lawsuit.

In either case, these legal experts said, there is a large element of the surreal in case stands now, most agree, as a matter of both law and practice, it is highly imlikely that any ordinary citizen would

office, as most legal scholars interpret both the Constitution and the independent counsel law.

Yet, based on the specter of such charges, Kenneth Starr, the independent counsel, can now question Mr. Clinton to the "perjury trap" set for racketeers in a new proceeding, a federal grand jury, where the legal stakes are much higher, and where anything he says can be used against him.

If Mr. Starr has convincing evidence that a continued denial is false, including any DNA evidence that might be obtained from a dress of Ms. Lewinsky's, it the president's situation. The way the could make Mr. Clinton vulnerable to a much stronger perjury case.
The Fifth Amendment, the right not to

be compelled to bear witness against face charges of perjury or obstruction of oneself, protects citizens against just that justice on the basis of the deposition in kind of bind: Answer falsely and risk charges of perjury; refuse to answer and Nor can she grand jury investigating risk jail for contempt of court; answer the matter actually level such charges truthfully and provide ammunition for against Mr. Clinton while he is still in

fice refused to say which lawyers would

attend, Mr. Starr seems likely to leave

the questioning to deputies who most

often have taken the lead in interrogating

Jackie Bennett Jr., Mr. Starr's chief

A veteran of the Justice Department's

deputy in Washington, has perhaps the deepest knowledge about Mr. Clinton.

Public Integrity Section, Mr. Bennett

His aggressive and unpredictable questioning style have earned the enmity

The day-to-day manager of the Lew-insky investigation is Robert Bittman, a

former state prosecutor in Anne Arundel

cludes sex-crime prosecutions, may

make him less reticent about posing in-

Solomon Wisenberg, a former federal prosecutor in Texas, has spent more time

with the grand jury than anyone in Mr.

At the president's side during the questioning will be David Kendall and

Nicole Seligman, his attorneys from the Williams & Connolly law firm, along

with the White House counsel Charles

to be present during grand jury questioning but Mr. Starr agreed to make an exception for Mr. Clinton.

It is unclear whether the Clinton law-yers will be able to raise objections or

Taking testimony from the president is a matter that goes far beyond mere

questions and answers. It takes stage

assert legal privileges.

management, too.

Lawyers are normally not permitted

Mr. Bittman's background, which in-

of the Clinton legal team.

timately detailed questions.

County, Maryland.

Starr's office.

in Arkansas.

other witnesses before the grand jury.

when he was an assistant district attorney in Manhattan under Frank Hogan, the best-known prosecutor of his time.

Like many other former prosecutors interviewed, Professor Uviller is troubled by the idea that the kind of device used to catch mobsters could force the president of the United States to answer graphic questions about his behavior.

Others said it was unfair to Mr. Starr to say he was only investigating sex.
"The sex is the subject matter of the lie, but it's the perjury that's important here," countered John Fried, the 1985-90 head of the trial division of the Manhattah District Attorney's office.

But Mr. Fried, who rejected the term

But politically, most observers agree, tactics, also cringed at the kind of graph-taking the Fifth is not an option for a ic questions needed to lay the groundwork for a perjury case against President

> It was the lack of such questions by the lawyer deposing the president in the Jones case in January that has left Mr. Clinton the possibility of telling the grand jury that he had sexual encounters with Ms. Lewinsky, while making a case that he did not testify falsely.

Advisers to the president acknowledged Thursday that such a strategy was under consideration.

If Mr. Clinton did not have sexual relations with Ms. Lewinsky, then, of course, no perjury was committed. But in legal terms, perjury is not just lying under oath but knowingly making a false statement that is material to the inquiry

In this case, there is considerable doubt that a possible consensual sexual 'perjury trap" to describe Mr. Starr's relationship with Ms. Lewinsky was ma-her.

Gauging the Fallout terial to the Paula Jones case, which was dismissed. Legally, evidence that goes to character or credibility is not considered material.

Whether he believed his statements in the Jones deposition to be false in strict legal terms is also in doubt.

For the purposes of the deposition, the agreed-upon definition of sexual relations was "contact with the genitalia, anus, groin, breast, inner thigh, or buttocks of any person with an intent to arouse or gratify the sexual desire of any

"So the record is completely clear," Mr. Clinton was asked, "have you ever had sexual relations with Monica Lewinsky, as that term is defined in De-position Exhibit 1, as modified by the

Mr. Clinton replied: "I have never had sexual relations with Monica Lewinsky. I've never had an affair with

Away From Politics

 A 39-year-old convicted child killer from Virginia spent four months coaching kids part-time at a South Brunswick, New Jersey, YMCA before officials learned of his murderous past and fired him.

• A 37-year-old Missouri teacher was charged with the statutory rape of one of her 12-year-old male students at a middle school near Kansas City. The arts and literature teacher allegedly had sex with the sixth-grade boy at her home on three occasions in May and June. She pleaded not guilty.

• An independent arbitrator ordered county officials in central California to reinstate a clerical worker who was fired for turning in an illegal immigrant — a deadbeat dad — to immigration authorities. The case is the nation's first known instance of a government employee seeking protection for informing on an illegal im-migrant under a 1996 federal law that overrides the "no-tell" rules. The rules were adopted by many cities with large immigrant populations and restrict the police and other workers from informing the Immigration and Naturalization Service about suspected illegal immigrants.

• A small plane crashed into a van near Cincinnati, killing at least three people, including the pilot. The singleengine aircraft went down on the west-

WASHINGTON - As President Bill Clinton prepared for his risk-fraught testimony before a grand jury Monday, both political parties - and especially the Democrats - were looking for signs of how the independent counsel Kenneth Starr's endgame could change the dynamics of an otherwise placed election

POLITICAL NOTES

A critical question in off-year elections is voter turnout. A number of strategists from across the country, Democrats and Republicans alike, said the greatest danger for Mr. Clinton's party is that his troubles could keep disillusioned Democrats from the polls and energize angry conservatives to

Americans are still giving the president approval ratings of around 60 percent, even as larger majorities tell poll-sters they think Mr. Clinton has lied about his relationship with Monica Lewinsky, a former White House intern.

Any Democratic hopes of making gains in the House require Mr. Clinton's approval ratings to remain strong.

For that reason, a number of Democrats say that Mr. Clinton should move swiftly after the closed-circuit testimony before the grand jury Monday and speak directly to the public. (NYT)

Defense and Pork

WASHINGTON - At a time when the Pentagon is lamenting a lack of money for key programs, the annual de-fense appropriations bill headed toward passage this fall contains an estimated \$4 billion in projects the military never asked for. The programs were added on by members of Congress seeking to steer military spending to their home districts.

Some of the projects — such as a \$1.5 billion ship that is being pushed by the Senate majority leader. Trent Lott of Mississippi — have at least some military purpose but are seen by defense officials as a misdirection of resources. Others, such as a \$1 million request championed by Representative Norman Dicks, Democrat of Washington, for a Lewis and Clark exhibit in his state, have little apparent military value.

Quote / Unquote

Donna Turrubiartes of Cary, North Carolina, giving President Clinton advice on how to respond to grand jury questioning: "I would admit it if I had done it and would apologize. But I never dreamed my sex life would affect the way I run the country."

New Map Room History Clinton to Face Grand Jury's TV Setup

By Peter Baker and Susan Schmidt

Washington Post Service WASHINGTON - President Bill Clinton's fateful appointment at 1 P.M. on Monday with a grand jury will take place not in the chambers at the Federal Courthouse but in the White House's storied Map Room.

This was the ground-floor room be-This was the ground-floor room be-neath the residential quarters where and has tried Whitewater-related cases President Franklin D. Roosevelt stopped each morning on his way to the Oval Office during World War II to check maps of troop deployments.

Still on the wall is a map showing Allied troops closing in on Berlin on April 3, 1945, the last map that President Roosevelt saw before going to Warm Springs, Georgia, where he died.

The 23 grand jurors will not be in the Map Room. They will watch in the Fed-eral Courthouse by means of a one-way television hookup and will be allowed to address questions to Mr. Clinton via a

prosecutor. Government technicians will use encryption technology to avoid any in-ferception of the closed-circuit feed.

Gathered in the Map Room will be an elite cast of characters who have shadow-boxed with each other for years -all, it seems now, in preparation for this F.C. Ruff. one climactic momen On the one side will be Kenneth Starr.

appointed four years ago this month to look into an obscure land-development deal in Arkansas, only to find himself heading down other scandal trails. With him will be a handpicked group

of lawyers who have immersed themselves in every facet of the Monica Lewinsky case for seven months. On the other side will be Mr. Starr's

longtime quarry, President Clinton, along with a triumvirate of lawyers who have steered the president through rough legal waters repeatedly and now face

'60s REDUX -- Joni Mitchell, who made her debut at Woodstock in 1969, taking a photo of the crowd at a three-day music festival over the weekend at Max Yasgur's farm, the site of the legendary cultural event. bound lane of a busy highway. (AP)

White House Weighs Tobacco Suit Over Medicare Costs

By Alissa J. Rubin and Myron Levin Los Angeles Times Service

Everything from camera angles to lighting to the demeanor of the players WASHINGTON — The White will be staged for maximum advantage. Assuming they follow the same protheir greatest challenge in helping him cedures as the past, for example, Mr. ingly serious consideration to a strategy ardy.

Starr's aides will not allow any trappings aimed at extracting massive monetary of presidential power to be seen in the While the independent counsel's of
TV camera scenes.

Starr's aides will not allow any trappings aimed at extracting massive monetary damages from cigarette makers by filing a lawsuit on behalf of the government's court ruled that the Food and Drug Ad
In 1996, the FDA declared that it had

ward with a Medicare lawsuit if they can overcome concerns among some adminto the discussions

Medicare program. Top White House ministration had no authority to regulate the authority to regulate nicotine as a officials are said to be eager to go for- nicotine or restrict marketing targeted at drug, and to regulate cigarettes as drug-

In the 2-1 decision on Friday, a panel istration attorneys, primarily within the of the 4th U.S. Circuit Court of Appeals thority from Congress to regulate toupheld FDA regulation of tobacco, a step the nation's five major tobacco compa that would allow government officials to nies the accumulated cost borne by tax-

House, frustrated by the collapse of anti- Justice Department, about its chances in Richmond, Virginia, overturned a fed-bacco products. smoking legislation, is giving increas- for success, according to lawyers close eral district judge's ruling of last year that

been progress against AIDS in the gay community, the disease is actually increasing among heterotrillion.

Virginia is preparing to replace historical mark-

Historians will study the events described on the signs, some of which are up to 60 years old, then

A shopping mall for children opened over the weekend in Grand Rapids, Michigan, conceived by two developers as a tribute to their son, who died at the age of 3. The mall includes a restaurant offering Pete, hope to use profits to aid children's charities.

Brian Knowlton

POLLS: Enough,' People Say Continued from Page 1

anything Mr. Clinton says Monday, or anything the independent counsel, Kenneth Starr, reports to Congress later, could alter what has been a consistent pattern of opinion throughout the or-

Most analysts of public opinion say it will take more than a Clinton admission of a sexual relationship or positive DNA evidence on the dress Ms. Lewinsky turned over to prosecutors to jolt people enough to change their belief that the matter does not warrant impeachment proceedings in But given that President Richard

Nixon saw his approval rating cut by more than half in 1973 because of Watergate and that President Ronald Reagan's fell from 67 percent to 44 percent during the Iran-contra scandal, Mr. Kohut offered this caution as the investigation enters a crucial stage: "I don't think we should take the public for granted and say nothing could change their minds about Bill Clinton on this. We've never been in a situ-ation where a president has been put in

this place."
Public conclusions about the basic elements of the investigation have produced a president who is believed by the public to be stronger than ever in some measures of leadership and how he handles his responsibilities — and yet battered personally by an eroding judgment about his morals and honesty.

Karlyn Bowman of the American Enterprise Institute put together a series of charts measuring what she labeled "The Character Gap's between Mr. Clinton's lofty approval ratings and growing public disgust with his personal behavior. A few snapshots of her findings are

In the first year of Mr. Clinton's presidency, public belief in his honesty and trustworthiness ran about 6 to 9 percentage points above his job approval

In the latest Gallup Poll, it runs 30 percentage points behind his job ap-

Throughout 1993 and 1994, the reationship between the president's job case. If Mr. Clinton acknowledges some approval rating and the question of kind of sexual relationship with Ms. whether Mr. Clinton "shares your val-

ues" was at rough parity.

Today job approval outstrips the other 10028 JOO approval outsups and outsups are sel's inquiry also focuses on obstruction softened his criticism of Mr. Starr in measure by at least 20 percentage

AMERICAN TOPICS

A New Slant on Penmanship: Curlicues No Longer Required

For as long as anyone can remember, young Americans have learned to write a cursive Q like a big 2 with loops. But for years now they have grown up and stopped writing that way. So a leading publisher of handwriting materials, seeing the unadorned writing on the wall, is replacing the letter with something more like the printed version.

"A lot of folks didn't recognize it as a Q, and it gave people problems, including people at the Post Office, "said Richard Northup, an executive at the publishing house Zaner-Bloser Inc, In a further drive for simplicity, the capital letters H, X, W and V are losing the loops and flourishes known as "cane

The change, reports The Associated Press, is a concession to reality: Kids reared in the computer age have less time to learn to write by hand but just as great a need to know how. There is no time in class

At the same time, companies that sell handwriting

textbooks report that sales have rebounded in recent years. Schools have resurrected penmanship competitions. Popular teaching methods emphasize journal-keeping and essay tests. Teachers point to research that suggests a link between ease in the mechanics of writing and ease in writing and organizing thoughts.

"It seems so routine and mundane to just produce alphabet letters," said Virginia Berninger, a University of Washington researcher who worked oh one recent study, "but for a 6-year-old it's a major cognitive task." To make the process easier, the prettiness of cursive letters, such as the looped-2 Q, may have to suffer.

Short Takes

No news was good news for readers of the latest issue of the Bay Area Reporter in San Francisco. As a Page I headline noted, this was the first time in more than 17 years that the weekly had received no obituaries for victims of AIDS. The weekly, which covers the gay community, has reflected the course of the AIDS epidemic, averaging a dozen obits a week in the mid-1980s, and 31 in one week. But the introduction of powerful new AIDS drugs brought dramatic change. As of Friday, no AIDS death notices had arrived at the newspaper for 10 days. This does not mean there were no AIDS deaths: The paper prints obits provided by friends or relatives, so many deaths go unreported. And while there has

sexual African Americans. Still, said a reader of the Bay Area Reporter, Tom Hayer, as he sat in a coffee shop in the largely gay Castro district, "It's nice to pick up the paper and not read about your friends

ers along state roads, deleting references to Indians as ''savages' ''heathens'' and ''half-breeds.''
One of those to be replaced, the Dumpling Island

marker on Route 10 in Suffolk, describes a 1608 incident between Nansemond Indians and English settlers. It reads: "The savages jumped overboard when the English fired their guns, and later ransomed the canoes for corn."

formulate new wording.

50 types of peanut-butter-and-jelly sandwich. "Parents shop where their kids want to go," said Deb Colvin, one of the developers. She and her husband,

CLINTON: President Will Admit to Sex With Intern, an Insider Says, but Not to Perjury

Continued from Page 1

pearance before the grand jury Monday. If Mr. Clinton can find the right words

and the right tone in his grand jury testimony, the president's lawyers hope Mr. Starr and his deputies will not at-tempt to humiliate the president with an extended series of intimate questions about his personal behavior. "Starr wins," another source with firsthand knowledge of the situation said of Mr. Clinton's apparent willingness to

give ground on the issue of sexual activity. "And we hope," he added, that Mr. Starr will not "feel it necessary to drag the body around the arena." But Mr. Starr's investigation of persury involves more than the issue of whether Mr. Clinton lied under oath by denying that he and Ms. Lewinsky engaged in sexual activity, however defined, in the since-dismissed Jones

Lewinsky, he would also have to explain

many other questionable statements in

the deposition. The independent coun-

president and others — areas that always have been considered more serious by the American people than the issue of the president's private behavior. It is con-sidered unlikely that Mr. Starr's team would be willing to limit the interrog-ation on those critical issues simply by a Clinton acknowledgment of sexual activity with Ms. Lewinsky.

After seven months of shrill, partisan rhetoric designed to discredit Mr. Starr's investigation and a series of White House legal challenges fought all the way to the Supreme Court, the Clinton intimate clearly intended to extend an olive branch to the independent counsel when he said, "I don't know that Starr is a bad man. He is a righteous man."

He then spoke respectfully of Mr. Starr's religious convictions and justifiable moral outrage about allegations that the president had behaved improperly with a young subordinate. Despite publicly charging Mr. Start

with illegally leaking grand jury information and just a week ago saying such conduct is "highly unprofessional and utterly indefensible," David Kendall, the president's personal lawyer, also has

according to knowledgeable sources. Declaring that Mr. Starr is neither a fanatic nor a true believer, Mr. Kendall has said that Mr. Starr's aggressive investigation was perhaps forced on him by the strictures of the Independent Counsel Act.

But in making an attempt to reach out to Mr. Starr, the president's advisers also are preparing the public for what shapes up as the most important week of Mr. Clinton's presidency. By offering a preview of a presidential strategy that some lawyers and politicians regard as risky, the president's associates may help soften the impact of hearing it from Mr. Clinton himself.

But there is much more in the Clinton deposition than the definition of sexual relations that could cause the president problems when he testifies Monday. In his Jones testimony, Mr. Clinton also was evasive on key questions, such as whether he gave gifts to Ms. Lewinsky, whether they were ever alone together and whether he discussed with Ms. Lewinsky her subpoena in the Jones case.

of justice and suborning perjury by the recent private comments to associates, ton advisers say that the days after the tercourse.

president's grand jury testimony will determine whether he can hold the support of the public, which so far has found his denials not credible but has shown no willingness for Congress to begin impeachment proceedings.

Many Clinton advisers maintain that the president's problem is more political than legal — namely the question of how he explains whatever he says before the grand jury to the public.

Mr. Clinton and his lawyers have per-

suaded themselves they can avoid legal jeopardy with the independent counsel's investigation if he testifies truthfully Monday and, in doing so, explains why he denied that he had had a sexual relationship with Ms. Lewinsky in the Jan.

17 Jones deposition. The foundation of this strategy hinges on a claim that, when he was presented with a definition of sexual relations approved by Judge Susan Webber Wright, he interpreted the term to mean something akin to a love affair that involved sexual intercourse. Instead, Mr. Clinton could acknowl-With Mr. Starr still preparing to send a edge some kind of "sex play," acreport to the House of Representatives cording to the person who has spoken on possible impeachable offenses, Clinto the president, that fell short of in-

delivery devices. But the appeals panel ruled that the FDA needed explicit au-The suit would attempt to recover from

payers to treat people with smoking-re-lated diseases under Medicare, which covers the medical expenses of more than 35 million Americans aged 65 and older. Sources close to the discussions said

the suit could seek damages of nearly \$1 The lawsuit would represent a major shift in strategy in the battle over tobacco industry liability. It would be designed

to increase pressure on cigarette companies to come back to the bargaining table and work out a settlement with the administration and Congress. The Medicare suit would dwarf pending lawsuits filed by 40 states to

recover costs under Medicaid, the joint state-federal health insurance program for the poor and disabled. For the time being, administration officials are being circumspect about the

discussions, noting that a final decision is not expected for several weeks. "Justice and Health and Human Services are still reviewing it," said one White House official. "It requires full legal analysis. They

haven't reached closure yet." A tobacco industry spokesman said Saturday he had not been aware of the discussions within the administration, but predicted "the government would have great difficulty in mounting such a case." He cited, among other things, the large amount of excise taxes Washington has collected over the years from cigarette

The spokesman, who requested an-

onymity, said the discussion of a Medicare lawsuit sounds like an effort by the administration "to find a way to cover their own failures of leadership in this matter by trying to come up with a political and public relations gesture." The lawsuit is being promoted, among others, by Attorney General Mike Moore of Mississippi and the plaintiffs' attorney Richard Scruggs. Mr. Moore

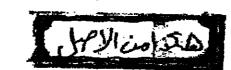
and Mr. Scruggs were the first lawyers to test the idea of suing cigarette makers to recover medical costs to states. Mr. Scruggs went on to represent a

number of state attorneys general in similar suits, and it was the collective impact of those suits that brought the tobacco industry to the bargaining table last year.

Mr. Scruggs and Mr. Moore want to assemble a team of top attorneys to handle the Medicare case for the federal government. The Mississippi lawyers argue that the threat of having to defend potentially ruinous lawsuits is the only way to get cigarette makers to accept a comprehensive package of marketing restrictions and other measures to reduce

underage smoking. Another supporter of such a lawsuit is the constitutional law scholar Laurence Tribe, who has looked closely at the legal issues involved at the request of officials in Washington.





ASIA/PACIFIC

Indonesia, Shaken but Determined, Looks to 53d Anniversary

By Michael Richardson International Herald Tribune

JAKARTA - Overshadowed by a deepening recession and fears of renewed riots. Indonesia marks its 53d anniversary of independence Monday under a president who is battling to revive confidence in the government's ability to rebuild the economy, maintain order and carry out political reform.

Making his first eve-of-independence day address to the nation, President B. J. Habibie said Saturday that Indonesia had entered a new era of 'democratic resurgence' and that this would help bring about economic re-

covery.
Seeking to distance himself from his

longtime mentor, former President Suharto, who was forced to resign in May when protests against his 32-year rule, riots and arson threatened to engulf Jakarta, Mr. Habibie said that the unrest was evidence that "the old paradigm, which emphasized stability by adopting a security approach, was no longer adequate to respond to the demands and aspirations of the people.

Yet, the reality, analysts and Asian officials said Sunday, is that the world's fourth most populous nation is in the midst of a potentially explosive transition from autocracy to a more representative and pluralistic system of government, in unfavorable economic and social conditions.

"Indonesia has gone through a trau-

matic downturn," said Singapore's senior minister, Lee Kuan Yew. "The new president has to tackle a deepening economic crisis and at the same time resolve political pressures for demo-

The Habibie government has tried to win support at home and from international aid donors by freeing political prisoners, pledging to observe global human rights standards, calling the armed forces to account for past abuses of power and withdrawing combat troops from secession-prone regions such as East Timor and Acheh in northem Sumatra to ease tensions.

The government has also set out a timetable for democratic reform leading to fresh legislative elections in May,

four years ahead of schedule, and the choice of a new president, who will take office in year 2000. Mr. Habibie spoke Saturday of a need

to further reduce the role of the armed forces in politics to encourage greater professionalism in the military and civilian control of government.

But in a move that underlines the political divisions that have opened up in Indonesia since Mr. Suharto's departure, aides of the opposition figurehead, Megawati Sukarnoputri, said on Sunday that she planned to boycott Monday's military parade at the Presidential Palace, where Mr. Habibie will take the salute.

It would be the first time in 20 years that Mrs. Megawati, daughter of Mr. the country's independence from Dutch colonial rule.

feared it would lead to violence.

Security forces are already on alert in Jakarta and other major cities after pervasive rumors that fresh riots and attacks on the ethnic Chinese minority, similar to those that occurred before Mr.

their businesses and reinvest in the economy is widely seen as an important step toward restoring the confidence of foreign investors in Indonesia, because the Chinese play a key role in the mandistribution.

to win back investors' confidence, said Mari Pangestu, an Indonesian economist who serves as executive director of the Center for Strategic and International Studies in Jakarta

return if security and political stability were restored.

'A return of confidence will also depend on whether next year's general election is fair and clean, and produces a legitimate government," she added.

The government and security forces have promised protection to ethnic Chinese. But in a sign of continuing widespread nervousness, hundreds of Chinese have left Indonesia in recent

For most of the past two decades, Aug. 17 has been a day of hope and considerable pride for many Indonesians, who saw real prospects of lifting themselves out of poverty into the ranks of an expanding middle class as the economy continued to grow by more than 6 percent annually.

last 12 months, as East Asia's financial earthquake struck Indonesia, decimating the value of its corrency and stock market, undermining the economy and leaving many companies and banks

riots in Jakarta alone.

said that they were "a challenge, even a

donesia would have broken up into "scores, or perhaps hundreds, of small states," possibly hostile to each other. Analysts said that the most immediate and difficult challenge for the government was to ensure that basic food

Sukarno, has missed the celebration of

Authorities banned a planned rally by her supporters in late July, saying they

Suharto resigned, are imminent. Persuading the Chinese to restart

ufacturing and retail sectors, as well as To rejuvenate investment, we have

She said that confidence would only

days, fearing the worst.

That dream has been shattered in the

with large debts they cannot repay.

About 1,200 people were killed, and 150 women and girls raped in the May

Condemning the riots as "barbaric" and a national "shame," Mr. Habībie

threat, to our spirit of nationalism." He warned that without unity, In-

supplies, education and health care to

BRIEFLY

Big Drive.

100 M

A GARAGE

Rangoon Deports American Activists

BANGKOK - Four American students deported from Burma for distributing pro-democracy leaflets were on their way back to the United States Sunday, voicing continued commitment to the fight for human rights in the military-ruled country. The activists, who belong to

groups opposed to military rule in Burma, were convicted in a oneday trial Friday of violating an Emergency Provisions Act dating from 1950 and sentenced to five years' hard labor. But the punishment was suspended.

Inside Burma, opposition leader Daw Aung San Suu Kyi continued her own standoff with the junta, remaining in her parked van in a village 32 kilometers (19 miles) west of Rangoon. The authorities stopped her there on her way to a. political meeting.

There was no way to independently verify her condition. (AP)

Taleban Forces Claim Key Victory

KABUL -- The Taleban militia claimed to have captured a key town linking north and central Afghanistan on Saturday, a develop-ment that could unite much of the country under strict Islamic rule.

Taleban fighters said they were in control of Doshi, 160 kilometers (100 miles) northwest of Kabul, a crucial tie between opposition forces in the northern Panishir Valley and their allies in central Bamiyan Province.

However, the militia of the Islamic Coalition Council of Afghanistan, a member of the anti-Taleban alliance, denied that Doshi had fallen. The Salang Pass, which links northern and southern Afghanistan, is controlled through Doshi. (AP)

Karachi Violence

KARACHI, Pakistan — This economic hub was closed for business Sunday during a violent general strike that left at least seven

The strike was called by the Mohajir Quami Movement, the main 🕽 political party in Karachi, to protest the killings of party workers. Three

India Leader Feels Heat

Fragile Coalition Fights for Political Survival

By Pamela Constable

Washington Post Service NEW DELHI - Heavy monsoon rains had lifted for an hour, allowing Prime Minister Atal Bihari Vajpayee to hoist India's flag on schedule just outside a 17th-century fort in a traditional ceremony honoring the country's 51st anniversary of independence from Brit-

But although honor guards saluted, schoolchildren clapped and helicopters showered the audience with rose petals, the atmosphere Saturday was more tense than celebratory. Mr. Vajpayee and his precarious coalition government were nearly toppled by internal political divisions last week, leaving even his closest advisers reluctant to predict how much longer it can survive.

The embattled prime minister, 72. spoke in unusually subdued tones as he delivered the traditional state-of-the-nation speech, and he had to be helped down from the podium. At the end, he all but acknowledged the crisis. "I have been in opposition for 40 years," he said. "I will accept whatever comes to me in the line of duty. But I will not beg before anyone. I cannot run away. I will not accept defeat."

Mr. Vajpayee, the Hindu nationalist leader whose government came to power less than five months ago and shocked the world by setting off five nuclear explosions in May, might well be forced from office by the bitter feud within his coalition, say a variety of observers.

would face a scramble for power among Party, have made similar statements from the nuclear tests. Initial public

numerous political factions -- and possibly even a disruptive parliamentary election — at an especially bad moment. The country's economic policies are in disarray, and the rupee has plunged to a record low, with the dollar at 42 rupees. The nuclear tests have badly strained relations with the United States and other allies. Meanwhile, a long-standing conflict with Pakistan over the disputed territory of Kashmir has flared, and bilateral talks collapsed again two weeks ago.

Government aides and sympathizers tried to put a reassuring face on the situation, stressing that India's demo-cratic system is still strong and flexible. Some observers suggested a change of government, while far from ideal, could ease the factional chaos that has repeatedly threatened Mr. Vajpayee and allow the country to move ahead.

"It could happen, and it wouldn't be a disaster," said K. Subrahmanyan, a defense expert. "We cannot make any particular government bulletproof, but the system is stable. If there is another election, the people of India may return a Parliament that can be more stable as well. One has to keep one's fingers

Officials also used the anniversary to reassure the world again that they will use their newly acquired nuclear capability in a responsible way. He and President K.R. Narayanan pledged not to use nuclear weapons to attack other nations and said India's differences with Pakistan should be settled peacefully.

Opposition leaders, including Sonia

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Prime Minister Vajpayee after a speech on the independence anniversary.

since May. So far, to the surprise of many, the Congress Party has not rushed to topple the weakened government. Instead Mrs. Gandhi has called for restraint and unity in the face of potential political instability. "We always will be devotees of

peace," Mr. Vajpayee said Saturday. He made no mention of the five nuclear explosions Pakistan said it detonated shortly after India's tests. Mr. Vajpayee's Bharatiya Janata Party, an Indian nationalist group, has little support in many parts of the coun-

try. And while the prime minister is

popular, critics say he has mishandled

several crucial issues, from economic policy to foreign relations. The worst performance, they say, has en in managing the political fallout euphoria after the tests faded quickly, the furious Clinton administration invoked an array of economic sanctions and other industrialized nations joined the condemnation. Yet so far, efforts at diplomatic repair have been halfhearted, and government aides have continued to make defiant comments about the arrogance of Western nuclear

Mohan Guruswamy, a senior Bharatiya Janata Party adviser on defense and economic issues, said, "The sanctions don't faze us one bit. We cannot bend down and say 'yes, master' as the West would like.

He said it was "absurd and racist" for the United States, which has a huge nuclear capability, to imagine that either

China Braces for a New Surge of Floodwaters

The Associated Press

BEDING - Compounding China's flood miseries, a river burst its banks in the north, stranding 146,000 people, while farther south millions prepared to battle a new surge of floodwaters on the Yangtze River, state media said Sun-

The Yangtze flood crest, the sixth so far in a summer una 44 years, river's heaviest flooding in 44 years, floodthreatened waterlogged, weakened dikes that protect cities and

farmland downstream. In Hubei, a central province among

the hardest hit by summer floods that have killed more than 2,000 people and made millions homeless, more than 2 million army and civilian flood fighters were preparing for the new surge, the Wenhui Daily said.

The Yangtze at Hubei's Shashi city could surpass a record 45 meters (148.5 feet), state television reported. That was the level the media have said could prompt officials to dynamite dikes to divert water away from the Yangtze, safeguarding cities downstream by deliberately flooding an area south of Shashi where 500,000 people live.

In northeast China, flood workers worked frantically to reinforce dikes along the swollen Nen River, using care and even horse-drawn carts to bring in earth, stones, wood and sacking, the Beijing Evening News said.

Meanwhile, authorities in China's Id-J

ner Mongolia region were trying to rescue 76,000 people stranded 'in dangerous conditions' by the flooded Ulyfa Muren River, the Xinhua news agency

A total of 70,000 people cut off by the river already had been rescued, the agency said.

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THE WORLD'S DAILY NEWSPAPER



Intelligence

EUROPE

In Big Drive, Serbs Send Kosovo Albanians Reeling and Burn Villages

By Mike O'Connor New York Three Service

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ises Poppe

PRISTINA, Yugoslavia -With the outside world doing little to restrain them, heavily armed special units of the Serbian police, backed by Yugoslav soldiers, are stepping up an offensive against ethnic Albanian civilians across Kosovo, driving tens of thousands from their homes and shelling, looting and burning their

In at least one village in southern Kosovo, the police units are demolishing brick homes that had survived deliberately set fires. In a village nearby, the police told residents that they must surrender any weapons they had or their homes would be burned to the ground, according to villagers and a local cleric.

While the government asserts that it destroys homes only if combat conditions make this essential, foreign diplomats say that the Serbs obviously hope to clear

of Kosovo.

that the advancing units had taken control of Junik, the main rebel stronghold in southwestern Kosovo, The Associated Press reported. Junik, near the border with Albania, was known as the organizational, logistical and weapons distribution center for the Kosovo Liberation Army.]
Officials of the International

Red Cross, which helps oversee the Geneva Conventions protecting civilians in war, said Saturday that they were debating whether the forces of the Yugoslav president, Slobodan Milosevic, were violating the conventions by displacing villagers and then destroying their homes.

The North Atlantic Treaty Or-

German defense minister, Volker [Serbian sources said Sunday Ruehe, spoke out strongly in favor of a military strike against the Yugoslav forces, even if Russia, the Serbs' traditional ally,

chooses to object. Meanwhile, the government's forces are strengthening their control of Kosovo, and civilian

suffering is growing.

Relief agencies estimate that up to 200,000 civilians have fled their homes since the government began a broad military offensive against the ethnic Albanian rebels on July 19.

The rebels had seized control of large parts of Kosovo in their struggle to make the province an independent country.

Many refugees are still living in the open. Foreign relief workstroying their homes.

Western governments have in the open. Foreign rener work threatened to use NATO's might ers report that many of them, especially the elderly and the lomats here have called a war young, are growing increasingly weak and suffering from disease. But most reject the govern-

the ethnic Albanian supporters of ganization says it is weighing a ment's urgings to return home, the armed rebels from vast areas response, and this weekend the either because they fear police or either because they fear police or army attacks or because their homes have been destroyed.

Relief agencies say they were overwhelmed by the number of refugees and cannot do enough to help them.

Residents of the village of Novo Selo in southern Kosovo say the police have given them until Monday to turn over any weapons or see their homes destroyed.

A Roman Catholic priest in the largely Muslim province, the Reverend Franc Kola, said that he had told the police there were no hidden weapons and he invited them to search the homes. But the police insisted that weapons be brought out and turned over.

"If not, they say they will sur-round the village and burn the buildings," Father Kola said. Pervua Marku, a village mechanic, said: "They will do it. Look at all the other places they

ficials say the police have been in control for many days, a police bunker with a heavy machine gnn overlooked the smoldering roofs

of brick homes. In the streets, policemen with assault rifles were on patrol and a bulldozer was leveling what the flames could not destroy.

With its offensive, the government has regained control of major roads and pushed rebel fighters from many areas. The main ethnic Albanian political party says 159 villages and hamlets that were controlled by the rebels are now back under government authority, but most of the residents have fled.

Once civilians leave an area, the police often loot and then burn homes, farms and businesses.

By conventional military standards the rebels have been very badly hurt by the government attacks. Before the offensive, rebel forces controlled as much as 40 since a police drive in March.

Rebel soldiers confidently patrolled major roads almost in sight of Yugoslav trooop positions and there was a virtual rebel government in some regions.

Rebel commanders and many ethnic Albanians were almost euphoric, predicting the imminent fall of major Kosovo cities. Now, government officials contend that the rebels have been beaten.

But this is not a conventional war, or even standard guerrilla warfare, because the Kosovo Liberation Army is not nearly as much a military force as it is a

It may not be properly trained, or commanded by military professionals, but it may not have to be. "This is not a guerrilla war, it

is a peasant uprising," said Shkelzen Maliqi, an ethnic Al-banian political leader and author. "It is a movement which doesn't have the weapons to fight gov-

Day public holiday.

propaganda material.

percent in June.

indicial sources said.

In the village of Priljep, where percent of the province. Their residents have fled and where of support had swelled dramatically cessionist movement which cannot be stopped."

By what can be measured on a map alone, the Kosovo Liberation Army is reeling, and some com-manders admit it. In a remote village filled with new refugees, where water, medicine and food were all scarce, a commander refused to say how badly his forces were hurt.

Government forces were preparing to advance on the village and some rebel soldiers in the area

seemed on the verge of panic. On the roads traversing areas that rebels had claimed as theirs, the government units now control all traffic and are moving troop convoys.

Foreign military experts sa that the Yugoslav and Serbian offensive has stopped a rise in the rebels' military progress but did not change the fundamental equation, which, they said, will keep the war going unless there is a

BRIEFLY

40 Break Out of Athens Prison

ATHENS --- About 40 prisoners broke out of the Aviona prison here overnight, police sources said Sun-

day.

The prisoners, mainly young Albanians and Romani-

ans, escaped over a wall in the prison courtyard. The

guard normally on duty there was off for the Assumption

Seven of the escapees had been recaptured, the police

The Athens police chief opened an investigation into

Damper Is Put on Hesse Rallies

BONN — German border guards said Sunday they had stopped about 120 suspected neo-Nazis from traveling to

Denmark for events marking the 11th anniversary of the death of Adolf Hitler's deputy, Rudolf Hess.

The police said they also had detained about 35 people who tried to honor Hess at rallies in Germany.

Border guards in the state of Schleswig-Holstein said

they had prevented 96 suspected neo-Nazis from traveling to Denmark over the past few days to honor Hess, who died in prison Aug. 17, 1987. Authorities in the German port city of Rostock said they had detained 25 people. Police in the state of North-Rhine Westphalia said they

had stopped a rally by detaining 25 people. In the state of Hesse, the police detained 11 people and seized far-right

Sweden's 2 Biggest Parties Slip

STOCKHOLM - Sweden's two main parties are losing

support to smaller parties ahead of general elections scheduled for Sept. 20, an opinion poll published Sunday indicates.

The SIFO poll, published in the newspaper Svenska Dagbladet, found that the popularity of the governing Social Democrats fell to 36.3 percent in August from 38.4

The main opposition party, the conservative Mod-

The pollsters said the Social Democrats appeared to have lost support to the Left Party, the former Communists, whose rating rose to 11.2 percent from 9.5

erates, slipped to 27.3 percent from 27.8 percent in the

percent. They said the Moderates appeared to have lost

support to the Christian Democrats, whose rating in-

French Police Charge 3 Climbers

charged Sunday after a cave explorer suffered serious head injuries after his safety rope was allegedly cut,

the French Alps this month when a safety rope, which he had installed earlier to access caves, failed. The police

20, were at the top of the cliff at the time the rope failed.

They have been in custody since Friday. Their identities have not been released. No motive was given for the

Monster-Hunt in Swedish Lake

STOCKHOLM - A team of monster-hunters were

searching Sweden's Great Lake on Sunday for a creature

A fleet of 15 vessels with researchers and six divers set

The people of Ostersund have long been mystified by

reports of sightings of a horse-like or snake-like creature

in the lake. A spokesman for the project, Anders Brattgra,

said the search of the lake was the most extensive to date

and involved a British specialist, Adrian Shine, who has

hunted for the Loch Ness monster for 20 years (Reuters)

off Sunday morning from the town of Ostersund, 600 kilometers (375 miles) northwest of Stockholm, equipped

said to have inhabited it for at least 360 years.

with an underwater video camera and sonar.

alleged that the rope had been cut deliberately.

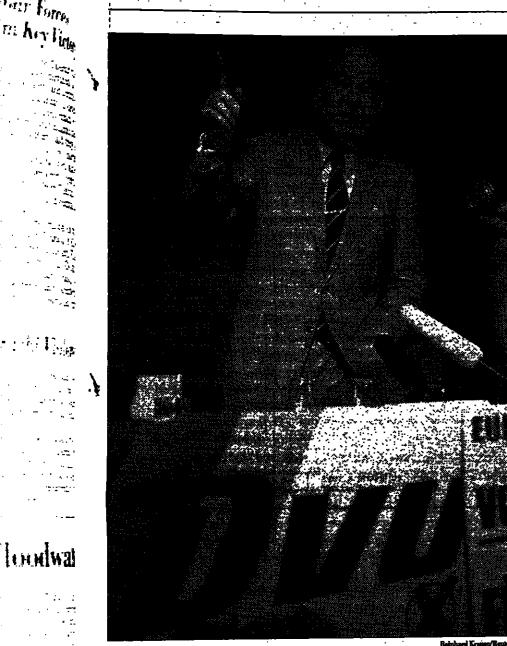
ALBERTVILLE, France - Three climbers were

The French cave explorer was descending a cliff in

The three climbers who were charged, aged 18, 19 and

poll of 1,874 people conducted from Aug. 3 to 13.

creased to 5.8 percent from 5.0 percent.



The rightist leader Gerhard Frey at a rally Sunday in Malchin, Germany.

German Opposition Party Outlines 100-Day Agenda

BONN — Germany's opposition Social Democrats will present a program Monday for their first 100 days in power, should they win the general elec-tion on Sept. 27, which includes deeper tax cuts than planned.

The new program for a Social Democrat-led government under Gerhard Schroeder aims to cut taxes by up to 10 billion Deutsche marks (\$5.55 billion). The party's original tax plan proposed a redistribution of tax payments without net relief, said the German weekly news Inagazine Focus. The Social Democrats will do away with tax subsidies to finance

the cuts, the daily Bild Zeining said.
The program, which will be debated by the Social Democrats' directorate at its weekly meeting in Bonn on Monday, will be announced publicly by Mr. Schroeder in Berlin on Thursday. With only six weeks to go until the federal election, Mr. Schroeder is trying to counter accusations from both opposition and members of his own party that he has concentrated too little on platform content in his bid to put the Social Democrats back in power

for the first time in 16 years. Chancellor Helmut Kohl's coalition, trailing in opinion polls, attacked the

Mr. Kohl's labor minister, Norbert Bluem, said Mr. Schroeder was misleading voters by pledging to cut labor costs while reversing government reforms that had done precisely that.

The Social Democrats are "treating voters as if they were stupid," he said. "It should finally tell the truth about what it really wants. Otherwise, Schroeder will go down as the great fairy-tale teller of election campaign history." The 100-day agenda promises to cut

the country's top private income tax rate to 49 percent from the current 53 percent, and the lowest personal rate to 15 percent from 25.9 percent.

In addition, the program pledges to introduce job creation measures, advance corporate innovation, make social security improvements, increase environ-mental protection and make government more transparent, media reports said.

The Social Democrats also seek to reform the country's pension system to encourage more private savings plans and investment. The Social Democrats also want to

hold talks with the energy industry to discuss ways of abolishing nuclear power in Germany, the weekly news magazine Der Spiegel reported. (Bloomberg, Reuters)

Ukraine Mine Explosion Kills 17 Since 1990, 2,500 Have Died in Nation's Poorly Funded Pits

- A methane blast Sunday deep inside a coal mine in eastern Ukraine killed at least 17 miners and injured four others, a government of-

ficial said. Six miners were missing.

The blast occurred at a depth of 600 meters (2,000 feet) at 12:40 A.M. in a mine at Luhansk, a city 700 kilometers (440 miles) east of Kiev, a spokesman said The spokesman said 123 miners were under-

ground at the time of the blast, with 27 in the section where the explosion occurred. By 4 P.M., the bodies of 17 victims had been found. Four others were hospitalized in a burn unit.

More than 200 miners have died this year in

Ukraine's deteriorating coal mines. Since 1990, more than 2,500 mine workers have been killed in

The worst single accident occurred in April, when a methane blast killed 63 workers in the eastern region of Donetsk.

A spokesman for the regional government said it was unlikely emergency workers would find any more survivors in the pit. But a spokesman from Ukraine's Emergency Ministry said a search was

"We never lose hope," the spokesman said.
"We are working and hoping."

Mine disasters are frequent at Ukraine's cashstarved pits, where implementation of safety measures has taken a back seat to economic survival since the breakup of the Soviet Union in 1991 plunged many parts of the country into economic

Strikes and other protests are also common among the country's miners, many of whom do not receive their pay for months.

In one of the biggest protests, more than 100,000 miners stopped work in May to protest months of wage arrears totaling about \$1 billion and to demand protection against coal imports from Poland and Russia. (AP, Reuters)

Relief Crew Docks at Mir Space Station

The Associated Press MOSCOW — A fresh crew has reached the Mir space station and docked successfully after a minor hitch,

space officials said. A Soyuz ship, launched Thursday from the Baikonur cosmodrome in Kazwith what is expected to be the aging

station's next-to-last crew. At the last minute, the docking was switched from automatic to manual pilot, the Itar-Tass news agency said. It said mission controllers spotted a minor problem in the automatic docking system. Among the replacement cosmonants is

a rookie - Yuri Baturin, a space physicist who was national security adviser --on a mission that was widely ridiculed as

a hoax when it was first announced.

Mr. Baturin, 49, and two other cosmonauts, Gennadi Padalka, the flight commander, and Sergei Avdeyev, an engineer, will relieve a crew that has been on Mir since January.

The new crew is expected to remain until February. But Mr. Avdeyev may remain until June, when Mir is to be discarded and lowered to Earth.

AUSCHWITZ CROSSES — Kazimierz Switon, who urges Poles to put up controversial crosses near the death camp, showing the latest Sunday.

Iranians Cross Into Iraq, in Peace

AL-MUNTHERIYA, Iraq.

Iranian pilgrims carrying red plastic roses entered Iraq over the weekend, the first such border crossing since the two states declared war on each other 18 years

About 300 Iraqis waved flags and clapped in an officially orchestrated welcome on Saturday. Al-Sayed Taha, a former Iraqi soldier who lost his arm in battle, smiled as the 750 franians arrived and exchanged the traditional greeting of "Peace be upon

In July, the two countries agreed to let 12,000 framians visit shrines in Iraq each month. Iraq rebuilt the Al-Muntheriya

border post, which had been destroyed in the war, to receive the

Hussein praying.
Iraq hopes the visitors, who traditionally deliver gifts to the shrines, will bring much-needed of the border.

you." Before the 1980-88 war, foreign currency. Tourism from thousands of Iranians visited Iraq pilgrimages is one of the few forms of trade Iraq is allowed under UN sanctions imposed after Iraq's invasion of Kuwait in

han wants its people to have access to the Shiite Muslim shrines in Karbala, Najaf, Samara and Baghdad. Shiites repilgrims. By Saturday's ceremony, workers had finished a towering portrait of President Saddam only to those in Saudi Arabia in terms of holiness.

It took Iran and Iraq nine months to negotiate the opening

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Swiss Relief and Regret Over Settlement of Holocaust Claims

By Elizabeth Olson New York Times Service

GENEVA -- The front page of a leading Swiss newspaper capsulized the country's ambivalent response to the accord last week aimed at settling Holocaust-era claims.

A political cartoon showed a reproduction of a Swiss bank payment slip that listed \$1.25 billion to be paid "The World Jewish Congress, New York." The square for writing in payment details said, "Ah, yes: vardon from Jewish people." An adjacent editorial in the

French-language newspaper, Le Temps, bore the headline "Bar-

gaining and Politics." The first

word, marchandage, can also carry

the connotation of haggling.

The words and imagery high-lighted the mix of relief and victimization that the Swiss feel over the announcement Wednesday of a settlement after more than two years of testy relations between Jewish organizations, U.S. politicians and Switzerland.

The agreement — signed by the two largest banks in the country, Union Bank of Switzerland AG and Credit Suisse Group --- appears to stave off serious damage to Switzerland's important banking sector, which has been accused of profiting from dealings with the Nazis and from the bank accounts of Jews killed in the Holocaust. Their refusal to settle had prompted widespread threats of boycous of Swiss banks. Insurance companies, which face

separate lawsuits, were not covered by the agreement. But many Swiss maintain it is too

late to undo the damage that the dispute has done to the country's image, its integrity and its heroic view of its wartime history. In news media commentary around the country, the word "blackmail" often cropped up, even in articles fa-

they had no opinion.

voring the accord. A national opinion poll taken immediately after the agreement was announced found support from a slender plurality. Of the 611 people surveyed, 42 percent approved the plan while 38 percent registered disapproval. Twenty percent said

"Many people have the feeling that it was not the search for truth, but

more a search for money," Economics Minister Pascal Couchepin said. 'We were not accustomed to this kind of exploration of our history." Moreover, the question of exactly who will pay the \$1.25 billion

to Holocaust survivors seemed to ignite real worry. Many Swiss, particularly those who lived through World War II, view using taxpayer money as an unacceptable admission of wartime wrongdoing.

Mr. Couchepin said that "there is no reason for the Swiss government to pay anything." He said that a report from a government commission on Switzerland's dealings with the Nazis "showed we did what was possible in the hard times of the

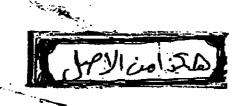
Reflecting the simmering resent-

ment here, even enthusiasts of the settlement peppered their remarks with comments about the amount, and the tactics used to negotiate it.

Lily Nabholz, a member of Parliament, said the amount was "quite surprising because it is hard for the average person to understand how the small amounts uncovered in the dormant accounts suddenly turned into \$1.25 billion." But many people have also ex-

pressed relief that the dispute appears to be winding down. Miss Nabholz said that "the situation created a lot of frustrations and anger" and that "now we need time to put soul-searching on the agenda."

"With the financial side settled, perhaps we can look to the past with more screnity," she said.



RECRUITMENT



ORGANISATION FOR THE PROHIBITION OF CHEMICAL WEAPONS

tion for the Problettion of Chemical Wonpour (OPCW) is a new inte notional disarmaness organization based in The Hague, the Netherlands, with the objective of destroying all existing stacks of chanical compones and probibiting the nee and development of this category of waspen of most destruction through the regular inspection of chemical industries. Since the OPCW was established just over one year come of comment management. Some him type is many commentaring just ever one year he number of states which have pladged to support it has increased from 80 to 112, ting all permanent members of the UN Security Council.

New International Organisation based in The Hague, Netherlands,

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NORTH AMERICA

BRIEFLY

Civilian Transition

ASUNCION, Paraguay - Raul Cubas Grau took the oath of office

as president Saturday, in this na-

tion's first transition between elected civilians since the 34-year dic-

tatorship of General Alfredo

The new president promised to

rejuvenate the foundering economy

and attack the "scourges of drug Mr. Cubas, a 54-year-old engineer, said he would overhaul the

banking system and take steps to

American Students

Nervous in St. Kitts

BASSETERRE, St. Kitts and Nevis — Many of the 280 American

veterinary students at Ross University on this Caribbean Island have

left, saying they will return in

Kitts businessman, Charles Miller,

had threatened to have American

students killed if he was extradited

to Florida on cocaine-smuggling

charges.
At Washington's behest, the government of St. Kitts began extra-

dition proceedings against Mr. Miller in 1996. A magistrate denied

extradition last year, but a higher court ordered another hearing, which is now scheduled for Oct.

The government has increased

security for American students at

the veterinary school but says it

knows nothing of any threat except

what the U.S. government has as-

Two weeks ago the U.S. State Department announced that a St.

September.

Stroessner ended in 1989.

For Paraguayans

INTERNATIONAL

Catholics praying at Mass on Sunday in St. Joseph's Hall Church in there omagh, Northern Ireland, where a car bomb killed 28 people Saturday. cases.

ULSTER: Britain and Ireland Vow to Avenge Terrorist Bombing

Continued from Page 1

demned the bombing "without equi-vocation," and a fellow Sinn Fein lead-er, Martin McGuinness, a member of the new Northern Ireland legislature, called it "an indefensible act designed to wreck

He added, "Everyone should work to ensure that the peace process contin-

George Mitchell, the former Democratic senator from Maine who mediated the peace accord, said he doubted that the bombing would have "a fatal effect, insofar as the peace process is concerned."

It was carried out, he said, by "a very tiny

minority of cowards and murderers."

In a statement, Queen Elizabeth II said she was "shocked to hear of the appalling crime in Omagh."

David Trimble, the province's new first minister and leader of the main-

stream Protestant Ulster Unionist Party, indirectly blamed the IRA itself, saying the massacre could have been avoided had the group handed in its arsenal of

weapons and explosives.
"This day will be remembered as the day that violent Republicanism plunged to new depths of depravity," Mr. Trimble said.

With the historic peace agreement that was signed on Good Friday, and the overwhelmingly popular vote May 22 in favor of a new local assembly to implement the peace plan, it was generally assumed in Northern Ireland that the 30-year-old sectarian "Troubles," which took the lives of more than 3,400 people, were just about over.

But the peace pact has come at a painful price. Splinter groups unhappy with the compromises required by the agreement have taken credit for various shootings, bombings and arson attacks.

This spring and summer's bombings had not taken a large toll, in part because there were advance warnings in most

evil" perpetrated by "a tiny, fanatical

The police received a bomb warning

40 minutes before the explosion. But the warning was lethally wrong; the bomb It also occurred just 17 days before President Bill Clinton is scheduled to went off in the very area where the police

had moved people for their protection.

Ronnie Flanagan, director of the local
police force, the Royal Ulster Constabulary, told the BBC that he was certain the bombers gave the misleading warning on purpose, to bring more shoppers toward the explosion.

"We have had men, women and children slaughtered here this afternoon, slaughtered by murderers who wanted to murder," and, he said, "who gave us a

totally inaccurate warning." 'This wasn't an attack on police, army or the peace process," he said. This was an attack on men, women and children on the busiest day in Omagh."

Witnesses told the BBC that there were no cars or buildings to shield the crowds of milling people from the force of the explosion. Hundreds were thrown to the ground in the blast, and the downtown street suddenly became a melange of smoke, debris, blood and severed limbs.

"I saw bodies lying everywhere, dead people being zipped into bags," Dorothy Boyle said.

"The bodies were lying there with water running over them from burst pipes. There were limbs lying about that had been blown off people," she said, adding that one young pregnant woman had lost her legs.

Mr. Ahern promised that the dissidents responsible for the bombing would

Mr. Hamza was immediately named

Iraq's director of weapons programs.
"I went to the palace" he said, and

"emerged with a new car and the title of

had purchased a trigger in Poland, which

"ruthlessly suppressed."
(AFP, AP, Reuters, WP, NYT)



Grieving residents in Omagh waiting for more news Sunday from police.

group of people" without any support in Northern Ireland.

The attack Saturday coincided with the 29th anniversary of the deployment of British troops in Belfast, a traditional rallying time for Irish Republican Army

arrive in Northern Ireland.

Mr. Clinton condemned the attack as "butchery," but the White House said the explosion would not change his

Before heading for Belfast, a tearful Mr. Blair said the attack was "a blast of

ing Sunday at Miradoux, France.

Prince's Authority Grows in Jordan AMMAN, Jordan — King Hussein has given his brother, the heir to the throne, authority to shuffle the government, officials said Sunday. The government has come under fire because of polluted drinking water and because the economy is in

recession. The king, who is 63, is undergoing cancer treatment in America. Crown Prince Hassan ibn Talal, 51,

Togo Reports Shots Across Its Border

LOME, Togo — Unidentified gunmen fired shots on Sunday across the border into Togo from neighboring Ghana, Togolese officials said

Togolese border guards returned fire, and there were no casualties, the officials said.

Security at Togo's border with Ghana was tightened before the disputed re-election on June 21 of President Gnassingbe Eyadema. Togo's main opposition leader, Gilchrist Olympio, contested the election from exile in Ghana. (Reuters)

Iragis Sentenced To Amputation

BAGHDAD — Odai Hussein. the son of the president, ordered that six army officers who robbed people be punished by the amputation of a hand. The report appeared Saturday in a newspaper published by Odai Hussein.

The sentences were the first of the kind known to have been imposed on officers of the elite presidential unit

called Saddam's Commandos. (AP)

BOMB: Ulster's Worst Atrocity Kills 28 and Injures More Than 200

Continued from Page 1

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The object of the attack was clearly to disrupt or destroy the peace agreement reached by leaders of both communities and overwhelmingly approved in May referendums in Northern Ireland and in the Irish Republic, to the south.

Brenda Logue, friends and relatives said, seemed happy Saturday morning as she came in from the countryside to this usually calm, well-scrubbed town in the hills of central Ulster.

After days of mist and rain, the sun had come out.

Brenda and her mother, Mary, strolled by the floats and exhibits of the annual town festival. They went into a house-hold goods shop on Market Street, full of

Brends, 17, had a job prospect on a mushroom farm. She was a good Gaelic football player. "Bubbly," one neighbor said of her. "Just an ordinary teen-

Brenda left the shop while her mother, who was lightly injured in the attack, stayed inside. She was, her friends and relatives said, looking forward to life.

"She had a sense of humor," said Mr. MacAnespae, who had offered her a job on his farm. "She was bubbly."

he could not understand the attack, ap-

parently by a Catholic group.

"They say they want to unite Ireland," he said. "Is this the way to unite Ireland? It may have been the way long ago, but that was has been tried, and it

2 Spaniards Among the Dead

Several children and two Spanish nationals were among the victims, news agencies reported. The Spaniards were the first foreigners to be killed in the sectarian violence.

Three generations of the same family died in the blast — a grandmother, her daughter, who was pregnant, and an 18month-old girl.

The police gave a breakdown of the dead as 14 female adults, 3 female children, 5 male adults and 4 male children. Two others were unidentified.

"A 65-year-old grandmother, her 30-year-old daughter, in an advanced state of pregnancy, and a 1½-year-old baby are among the dead," a police spokesman said.

'A 24-year-old woman and a 12-

year-old boy from Madrid are also among the dead. In addition we have 11 Spanish nationals still in hospital suffering from a variety of injuries."

Avril Monaghan, 30, her daughter Maura and mother, Mary Grimes, 65, the massive car bomb went off.

Mis. Monagian was survived by her. And on buildings and pavements, husband, Michael, and two daughters stains of blood remained despite an inand a son. The oldest of the surviving cessant downpour. (Reuters, AP)

More than 100 people were still hospitalized, receiving treatment. Eleven of them were in critical condition.

"A 65-year-old grandmother, her 30-year-old daughter, in an advanced state of pregnancy, and a 1½-year-old baby in a mong the dead." a relies analyse hisbon said.

Monaghan children is 6 years old. The Roman Catholic Primate of All Ireland, Archbishop Sean Brady, visited the Grimes family Sunday afternoon and said were "totally devastated." "They are just so shocked," the archbishop said. bishop said.

With several residents still missing "Three young boys from Bunkrana in County Donegal aged between 8 and 12 are among the dead," he added.

Sunday, soldiers used heat-detecting equipment to determine whether more bodies lay hidden in collapsed build-

In the rubble on Market Street were shattered windows, ripped-off roofs, and collapsed walls. Children's diapers were scattered amid fallen glass, bricks and wood planks. A mangled and fireblackened stroller rested near the carcass were on a shopping trip to Omagh when of the car bomb. Tatters of school uniforms

stains of blood remained despite an in-cessant downpour. (Reuters, AP)

Prime Minister Tony Blair speak-

IRAQ: From Defector, an Inside Look at Baghdad's Drive to Build a Nuclear Bomb

Continued from Page 1

cause he was frustrated that Mr. Saddam is still obstructing international inspections and deceiving the West. U.S. of-Mr. MacAnespae, a local councilor of tions and deceiving the West. U.S. of that Iraq was amassing the technical in 1981, the Iraq leader created the entists who were falsely of Sinn Fein, the IRA's political wing, said ficials said they did not authorize or know-how for a peaceful power profirst completely independent, clandescess in enriching uranium. encourage Mr. Hamza to speak publicly, but they have confirmed many elements

of his account. Until now, Mr. Hamza's defection has been a closely guarded secret. A 1995 article in The Sunday Times of London and a 1997 book by Andrew and Leslie Cockburn included detailed accounts of his alleged kidnapping and assassination

by Iraci secret agents. In fact, his escape from Iraq is a remarkable spy yarn that almost went awry. According to former and current intelligence officials, the CIA initially

rebuffed Mr. Hamza's appeals to defect to the United States.

their home in central Baghdad. tion, technical blunders and vicious bu-Years before Iraq's 1990 invasion of reaucratic feuds among Iraqi scientists Kuwait turned the country into an in- seeking to generate bomb-grade en-

even basic questions, "like why an oilrich country like ours wanted nuclear

power?' Hans Meyer, the spokesman for the monitoring agency, denied that it had ignored warning signs that Iraq was trying to build a bomb. "Our inspections were very tough," he said "but under the rules of the Nuclear Nonproliferation Treaty, we were only permitted to inspect the facilities that Iraq had de-

clared.' Despite such easy purchases, Mr. the United States.

Hamza said, the program was beset by almost constant setbacks — the mysagency realized its mistake and agreed to terious killings of senior Iraqi nuclear resettle him and rescue his family from scientists traveling in Europe, corruption, technical blunders and vicious bu-

ternational pariah, many of its nuclearrelated purchases were made with the
into opportunities, he said.

When Hussein Kamel, Mr. Saddam's
ambitious son-in-law, took over the nuclear program in 1987, Mr. Hamza said

gram and did little to investigate. The tine weapons program, most of which inspectors, Mr. Hamza said, never asked remained hidden from Western inspectors for nearly a decade. Liberated from having to march in lock step with its peaceful cover, the nuclear weapons program staff grew from 400 to 7,000, Mr. Hamza said. And its

Iran was draining the country's resources, nuclear scientists were insu-

lated from the economic ravages.

The weapons program was allotted as much as \$150 million a month, Mr. Hamza said.

did not work well, but that other Iraqi scientists developed a workable trigger in Iraq.

U.S. intelligence officials knew little

The scientists were expected to produce results, and in one crucial aspect of the program, they had little to show.

Despite years of effort, they had failed to after the World War II Manhattan Project some 40 years earlier.

a director-general." He said Mr. Kamel had ordered him to find a nuclear bomb trigger while other scientists pursued at least five different budget soared. At a time when Iraq's bloody war with methods of separating uranium to make bomb-grade fuel. Mr. Hamza said that he

produce the enriched uranium that is an essential component in an atomic

"They never put two and two together," Mr. Hamza said.

of the Iraqi effort, in part because the

enrichment program relied on a tech-

nique abandoned by the United States

**CONGO: Both Sides Get Ready to Battle for Kinshasa

Continued from Page 1

critical to the outcome since the war's start two weeks ago. In recent days, Congolese officials and knowledgeable foreign businessmen have said that Angola has been providing beavy air cargo support to the Congolese Army and has also promised to make available to Mr. Kabila a group

of several thousand longtime Congolese exiles, known as the Katangese Gendarmes, who are veterans in Angola's own prolonged civil war. Mr. Kabila would undoubtedly like an even more dramatic Angolan intervention, such as the use of its powerful air force, which was decisively deployed in

June in support of a protagonist in a civil war in Brazzaville, capital of the neighboring Congo Republic. According to African diplomats in

feeling that the east African country is destabilizing the region. It is unclear, has only heightened anxihowever, if Angola, whose relations eties among the remaining with Mr. Kabila have been unsteady, foreigners and Congolese will commit its forces in his favor. Mr. Kabila's advisors maintained an

air of striking confidence Sunday, despite what would appear to be a dire situation. "We are not without friends too, and the Rwandans risk learning that at their diplomacy around this expense," said one of Mr. Kabila's senior associates. "We have begun getting weapons from a lot of places. We have air transport now, and we have lots of men. If we can survive the next couple of

Mr. Kabila's adviser's timetable seemed to concur with recent rebel claims that insurgents would take Kinshasa as early as Tuesday.

In apparent anticipation of a final push

operation under way now, however, much of the outthis region. Angola disapproves of around then, Washington closed its em-Rwanda's second armed intervention in bassy here Saturday for the first time Congolese politics in as many years, ever in this country's turbulent history.

Foreigners Flee Congo as Rebels Push On

enemy.

Agence France-Presse Democratic Republic of the Congo on Yerodia, said on television. 'If they Sunday, aided by troops from several know something we don't know, maybe European countries, as rebels warned they could tell us." that they were closing in on the capital. that they were chosing in on the original Paris was carrying 168 of those fortrol of the key town of Matadi, 350 eigners. Two French military planes and trol of the key town of relation, south of the capkilometers (220 miles) south of the capkilometers (220 miles) south of the capsylometers (220 miles) sound of all Gabon, carrying a total of 261 foreign eastern capital of Goma. aide of President Laurent Kabila expressed surprise at the abrupt departure uation flights were planned.

of foreign nationals. KINSHASA, Congo — Hundreds of foreigners were fleeing the strife-torn the same time," the official, Zbdoulaye

A French civilian plane bound for

The unusual U.S. action alike, of an unprecedented battle for Kinshasa. Perhaps inadvertently, it also highlighted the almost total lack of high-level international country's crisis.

Washington and much of

the West seemed to approve of a previous Rwandan-led intervention here that overdays, this will turn into a debacle for the threw the longtime dictator Mobuta Sese Seko and placed the little-known Mr. Kabila in power in May 1997. With a similar Rwandan

side world seems to have washed its hands of the situation, neither strongly con-demning a foreign-sponsored uprising in Africa's third largest country, nor supporting Mr. Kab- Kinshasa, where fighting is feared imminent. ila, or even insisting on a

cease-fire.

The government's frantic preparatoo, perhaps sensing their imminent victory, began cobbling together a political organization, which they named the Congolese Rally for Democracy at a want to bring together all the Congolese,



A girl attending a Catholic mass Sunday in

ures from the Mobutu era and politicians who are known to be close to the leaders tions for a final siege came as the rebels of Rwanda and Uganda, both of which sponsored Mr. Kabila's earlier upris-

'We have called it a rally because we tatorship that are determined to eradicate political dissidents, former senior fig- Ernest Wamba dia Wamba.

ARREST: Suspect Is Seized in Pakistan

Continued from Page 1

bin Laden to the bombings. But they indicated that this was the first potential link to Mr. bin Laden, whom the Federal Bureau of Investigation and the Central

investigation.

Pakistani government sources said authorities detained Mr. Howaida after noticing that his face did not match his passport photo while he was trying to travel to Afghanistan. Several foreign newspapers said he eventually confessed to the bombings after "intense questioning.

If Pakistan has, in fact, been holding the man since Aug. 7, and U.S. officials still think he is worth a trip back to Nairobi, that could suggest that he is a serious suspect, experts said. But they also noted that after nine days in Pakistani custody, where most Amermight be tempted to confess to anything.
"We all know what 'intense ques-

tioning' means," said Vincent Cannistraro, a former head of the CIA's counterterrorism unit. "It means he might not have any toenails left."

"We don't want to get too excited until we make sure we're on the right track," one law enforcement official

U.S. officials warned that it was still too early in the investigation to jump to conclusions about guilt or innocence.

evidence linking Mr. bin Laden or his agents to the bombings. But they have noted that the nearly simultaneous explosions in Nairobi and Dar es Salaam were carried out by sophisticated terrorists. Mr. bin Laden's network has the Intelligence Agency have suspected financial resources and the organization to have been behind it, the officials said. Another group suspected by the cited him since the early hours of the financial resources and the organization Another group suspected by the United States is the Cairo-based Islamic Jihad, which is also financed by Mr. bin

Laden, American officials said

made its money in the construction busi-ness, Mr. bin Laden is thought to have been involved in the bombings of two U.S. military installations in Saudi Arabia. But for lack of evidence, the United States has never issued an arrest warrant. Mr. bin Laden lived for a time in Sudan. He is said to live in Afghanistan now, under the protection of the Taleban, the fundamentalist Islamic group

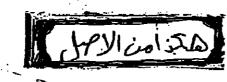
The son of a wealthy Saudi family that

that controls most of the country. Law enforcement officials said that Mr. bin Laden had become the subject of ican legal niceties do not apply, a suspect an intense internal discussion at the FBI over whether the New York office should take jurisdiction of the bombing case away from the Washington field office, which has jurisdiction over crimes against Americans in Africa.

President Bill Clinton, in an address videotaped for broadcast overseas, said that the Kenyans and Tanzanians killed in the bombings "were important to America because we cherish our friendship with your peoples." At least 247 people, including 12 Americans, were killed in Nairobi and 10 Tanzanians died astern capital of Goma.

The organization is composed of its roots once and for all, "said a leader, said. "We're not sure of anything yet." in Dar es Salaam. More than 5,000 to be sufficiently dissidents, former senior fig.

They also said there was still no hard people were injured. (AP, NYT, WP)



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A Charade in Iraq?

dam Hussein was nothing but a charade. Saddam would pretend to let United Nations inspectors do their jobs, and UN inspectors would go through their motions. Shackled by cumbersome new rules, and without the benefit of military pressure, they would find nothing. This arrangement would allow the United States to dis-assemble its armada in the Gulf without embarrassment. It would also allow Saddam Hussein to maintain his capability to field biological, chemical and nuclear weapons.

But, likewise from the very start, the Clinton administration roundly dismissed such suspicions, insisting instead that UN inspectors would now be better placed than ever to do their work. So it is doubly shocking to learn, six months on, that the Clinton administration may have been not only an accomplice in the creation of a characle but, offstage, a leading player — in a role that, given its duplicity, would make the United States more culpable in some ways than those countries, such as China and Russia, that have overtly undermined the UN inspection regime.

We are referring here to news, reported sketchily in The Times of Lon-don and in alarming and well-documented detail by Barton Gellman of The Washington Post (IHT, Aug. 15), that the Clinton administration secretly intervened for months to dissuade UN inspectors from carrying out surprise visits to suspicious sites. As long as the

From the start last February there was reason to fear that UN Secretary-General Kofi Annan's deal with Sadmission encumbered by large entouring to Iraq and were carrying out their mission encumbered by large entourages of diplomats and Iraqi officials -as long as they had no chance of success, in other words — the administration had no complaints. But when the UN team proposed taking action that might actually uncover evidence of Saddam Hussein's illicit weapons programs, the administration urged it to desist. And all the while the administration presented itself publicly as the most fervent champion of ag-

gressive inspections.

What could account for such deceit? Maybe the administration truly be-lieved that the inspectors would be more successful if they remained, for a longer time, more circumspect. Maybe, less charitably, the administration just didn't want to face the consequences of an active UN search; maybe if more evidence of nuclear, biological or chemical weapons were found, the requisite response would be just too difficult, politically, diplomatically and militarily.

We can only speculate; administration officials so far have provided nothing but unhelpful nondenial denials, acknowledging "consultations" with UN inspectors but saying they never issued explicit orders. Well, no one has alleged that they did; given the inspectors' political need for U.S. sup-port, none would have been necessary. If ever a foreign policy matter called for congressional inquiry, it is this alleged practice of deceitful diplomacy.

— THE WASHINGTON POST

Afghan Despotism

A medieval nation may arise from the rubble of modern war in Afghanistan. The Taleban movement, which seeks to return Afghanistan to the fundamentalism of its ancient villages, is winning military victories that have brought it close to uniting the fractious nation. Afghanistan needs a central authority and an end to the warlordism that has terrorized its people. If the Taleban provide it, the world will be tempted to normalize relations with them. But the Taleban must remain isolated antil they end their own totalitarian policies.

The Taleban have promised that when the war ends they would relax their harsh edicts, which scholars say have no basis in the Koran. This pledge should be encouraged but not trusted. itions did not cause the Taleban to bar females from education and work, or require a close male relative to chaperone a woman any time she

A new study by Physicians for Human Rights shows these policies' effect in Kabul, where Taleban rule is the most severe. The study found that care, hospitals and wards for women lack basic equipment. Male doctors may see only chaperoned women and

while men can still get decent medical may not examine their bodies. Most female doctors have been dismissed. and women reported lying in hospital beds for days without seeing a doctor. After 20 years of war, Kabul is a city

of widows. The rules are particularly hard for these women. They cannot support themselves because they can no longer work, and even bread supplied by aid groups must go to men. Women who go out alone risk beatings by the religious police.

The study underscores how little humanitarian aid reaches the most vulnerable. The Taleban and the outside world are at odds over the strictures that the movement is placing on relief groups, which were expelled last month for defying a Taleban order to move into an isolated compound with no electricity or water. The United Nations announced an agreement last week allowing the groups to return, which does little to change Taleban rules that effectively deny women food, health care and

Other nations may now move to normalize relations with the Taleban, and the United Nations may be inclined to award a victorious Taleban Afghanistan's UN seat.

Oil and gas companies are also waiting for peace to begin building Caspian Sea pipelines through Afghanistan. The California company Unocal is part of a consortium that will bid on the gas pipeline, and last year it paid for part of a trip by Taleban leaders to the United States.

These financial and diplomatic re-wards should be withheld until the Taleban end their cruel policies. -THE NEW YORK TIMES.

Swiss Settlement

Switzerland's commercial banks have finally agreed to pay fair compensation to Jewish Holocaust survivors and their relatives. The \$1.25 billion settlement agreed to last week covers money that the banks retained from accounts of Nazi-era Jewish depositors and profits made from handling Nazi gold and lending money to German companies employing Jewish slave labor.

Regrettably, the Swiss government, whose central bank also made large profits from trafficking in gold that the Nazis looted from their victims, neither contributed to nor endorsed the settlement. Even so, the agreement provides that the Holocaust survivors and their families who brought this case will pursue no further lawsuits against the Swiss government or Swiss industrial companies on these issues.

Frightened by the rise of Hitler, European Jews in the 1930s and early '40s entrusted their savings and other assets to the banks of neutral Switzerland. But Swiss banks betrayed that trust after the war. With most of the original depositors dead or dispossessed, the banks treated these Jewish accounts as dormant, retaining the

money in them rather than repaying it to survivors and family members.

A commission headed by Paul Volcker, the former U.S. Federal Reserve Board chairman, has been reconstructing the records of these accounts. Swiss banks had already committed themselves to pay back all reconstructed accounts in full, at present value, after the Volcker report was complete. Recognizing that only a fraction of the accounts would ever be tracked down. the banks also offered to contribute a further \$600 million to a "rough justice" account. But no settlement was reached until

last week, when the banks, under pressure from threatened financial sanctions by local governments, including those of New York City and New York state, agreed to combine their previous offers into a single fund, increase the size of the package and begin payments right away.

The settlement shows that people who have been grievously wronged by history can achieve a measure of belated justice, provided they fight for it persistently and live long enough to collect what they are owed.

-THE NEW YORK TIMES.

Herald Tribune

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EDITORIALS/OPINION

Prevent a Kosovo Catastrophe Before It's Too Late

GENEVA — Today, while thon-sands of international officials supported by 35,000 soldiers from the NATO-led Stabilization Force safeguard a fragile peace in Bosnia and Herzegovina, another corner of the Balkans, a mere few hundred kilometers away, is on fire. I call for an immediate cessation of hostilities followed by a fair political settlement to stop the bloodshed in Kosovo. In a few weeks it may be too late.

The burning towns and villages in Kosovo and the many thousands of terrified people on the run bring back the chilling memories of the early stages of the war in Bosnia. We simply cannot allow another Bosnia to happen, since this could engulf and destabilize the entire southern Balkan region, causing new immense suffering and fresh waves of refugees.

My agency estimates that the conflict has driven up to a quarter of a million people out of their homes, with 170,000 displaced within Kosovo alone. In addition to helping the displaced in Kosovo, my agency, the International Committee of the Red Cross and other aid agencies are dealing with 13,000 Kosovo refugees in Albania and another 30,000 in

By Sadako Ogata

The writer is the United Nations High Commissioner for Refugees.

population is now displaced. The fighting has left hundreds of people dead. Aid agencies scramble to bring aid to terrified refugees scattered in isolated pockets around western and central Kosovo who lack food, shelter and medicine. Many areas in western and central Kosovo have now become depopulated. Plumes of smoke rise from Kosovo's "ghost towns." Fields are deserted at harvest time.

Thousands of desperate people are crammed into tiny hamlets, with often more than 100 in one house in unbearable conditions. Elsewhere, thousands camp out in the woods and hills of Kosovo without access to food and fresh water, too fearful to move.

The assurances given by the Yugoslav authorities that the attacks will stop ring hollow. An emerging pattern of destruction of property, crops, livestock and farming equipment casts doubt on recent declarations that their operations have a limited aim.

The situation invokes the specter of the Bosnia war, when humanitarian agencies braved countless obstacles More than 10 percent of Kosovo's trying to bring humanitarian aid to be-

By Tom Gallagher

Humanitarian agencies are doing ali in their might to save lives, as was done during the three and a half years of the Bosnia war, and they will continue to do so. Virtually every day my agency, the Red Cross and other organizations' convoys with urgent supplies reach those affected by the fighting from Malisevo and Orahovac to Srbica, Kosovska Mitrovica and Prizren, often going into areas which only just

stopped being battlefields. Aid workers in Bosnia took huge personal risks. We are prepared to take similar risks in Kosovo to help the people we serve. But to do our work we ed at least minimum security and stability.

In Kosovo, unlike Bosnia, we do not have international military escorts for our convoys. We need additional coverage to have unimpeded and reasonably safe access to those who need our help. Today many of those in dire need of help cannot be reached.

We must also receive the necessary resources. Unless we get adequate funding soon, we will not be able to deal with the current crisis in the months ahead. The United Nations' emergency appeal for funds launched in early June brought only \$6.7 million

sieged enclaves. We must prevent a out of the \$18 million asked for — in other words, only one-third of what other words, only one-third of what was urgently needed. We are about to launch a new appeal to secure crucial funding for the winter months. That must be obtained!

We must help not only those who lost their homes but also those who so generously agreed to host them, be it in Kosovo, in northern Albania or in Montenegro. These regions, which have taken the brunt of the Kosovo exodus, are among the poorest in Europe and cannot handle the influx for much longer without outside help.

At the same time, we have to remember one important lesson learned in Bosnia: Humanitarian aid must not become a substitute for political action. With the onset of cold weather, what

today can be described as a humanitarian disaster in the making will be-come a full-scale catastrophe. Thousands could perish unless a workable. political solution is found immediately.

More than a month ago, the Contact
Group, at a meeting in Boan, urged
immediate cessation of hostilities in

Kosovo. It must be made a reality now.
We must also ensure that the paintage lessons of Bosnia are not ignored and

that the progress in that country is not derailed by a new Balkan catastrophe. International Herald Tribune.

To Salvage Northern Ireland, Isolate the Extremists

BRADFORD, England — After the Omagh massacre,

democratically elected leaders in both islands need to show that they have the resolve to drain the sectarian poison which is choking the life out of Northern Ireland.

Thirty years of atrocity piled on atrocity has never produced one speech in the House of Commons or the Irish Dail, by a politician upholding shared living over tribalism, that future historians will say is worthy of Edmund Burke, Gladstone or Lincoln. Instead it is the apostles of hatred and unreason who retain the high ground through their malign eloquence.

On Saturday evening, instead of offering statesmanship, Tony Blair and his Irish counterpart, Bertie Ahern, sounded like dazed victims in a traffic accident, offering platitudes that just increase the demoralization and panic of ordinary people.

Mr. Blair should have used his landslide victory on May 1 last year to issue a mission statement pointing out what values Ulster needs to acquire if it is to enjoy the protection of British democracy, Mr. Ahem in Dublin should have said something similar. The citizens of Northern Ireland need to be reminded of the values of tolerance and compromise that have made Britain and the Irish Republic democracies which can earn respect in the world.

Mr. Blair and his Northern a lengthy period if they are really Ireland secretary, Mo Mowlam,

have striven hard to make a fragile peace process work, but they have failed to grasp that the extraordinary nature of Northem Ireland requires unprecedented measures to relaunch it as a society in which it pays to be moderate and reasonable.

A British prime minister loses credibility when he spends weeks agonizing about tribal marches, allowing backwoods-men to be received in Downing Street to promote their religious supremacist views.

It is clear that Ulster's crazy marching cycle has all but wrecked the peace process and removed inhibitions against the plotting of mass murder by its most bloodthirsty citizens. The state needs to reassert its authority by making marchers pay

Instead of the mainland taxpayer footing the colossal security bill, it is the officeholders. responsible for a march who should pay. If need be, Orange Order dignitaries should be made to forfeit their businesses and even homes to pay for the resultant disorder. Similarly, Dublin and London

should lean hard on Republicans who mawkishly insist on commemorating long past examples

Each factory needs a ware-

house for storage of the raw

committed to peace. The surviving victims of the Warrington, Enniskillen and Birmingham bombs don't march in protest at the way their lives were

mined. What makes Bloody

Sunday in Derry so different? After Omagh, if Republicans expect to retain their good standing in the world, they should root out the militarists whose addiction to violence is leaving a trail of smashed bodies.

To combat Republican rejectionists, a new law ought to be devised that allows life sentences, with no remission clauses, for criminals who conspire to kill indiscriminately with explosives.

An uninhabited island in the Outer Hebrides might be placed under joint British-Irish sovereignty, and there terrorists from both parts of Ireland would be incarcerated for an indefinite riod. Building an Alcatraz for sectarian murders would be a signal to the world of the degree of contempt in which the murderers are held.

Similarly, a law to ensure easier convictions against members of the security forces accused of murder is needed, and efforts to make the police more welcoming for Catholic recruits need to be stepped up. In the South, the woefully in-

modernized so that it can be

more effective against not just terrorism but also the drug barons who plague parts of Dublin.

But a new approach to se-curity will not work unless it is matched by efforts to transform Northern Ireland society. Britain has shown boldness

by adopting tough measures to combat job discrimination. Other steps to pull sectarianism up by the roots suggest themselves: tax breaks for parents who send their children to shared schools; preference in state employment for children who graduate from such schools; tax breaks and other concessions for businesses which take active steps to enhance community relations in their localities.

Tax as a carrot needs to be backed up by tax as a stick. One of the reasons why the peace process has languished is that the middle class in and around Belfast has shirked its duty to

Civil servants and members

of the security, insurance and lifestyles thanks to the subsidies that continue to flow into the province. The yachts moored along Ulster's "Gold Coast," golf clubs and the numerous direct flights from Belfast to exotic holiday destinations are the perks of solid citizens who efficient police force needs to be often do not bother to vote or

urban extremists like the UK Unionist Party.
It should not be beyond the

ingenuity of a tax lawyer to introduce laws for Northern Ireland that tax owners of deluxe cars, members of expensive golf and yacht clubs, devoted of regular foreign holidays, and businesses that profit from the troubles. That way the wealthier members of the middle class. could show how British they are by helping the uncomplaining mainland taxpayer to get rid of the mess in Ulster that they avert their gaze from.

Northern Ireland is Britain's No. 1 problem. The rest of the world recognizes this but the United Kingdom still does not. The broadcasting media in Britain are casual and careless in the way they interview Republican ex-gunnen, religious bigots and intransigent politicians. Broadcasters should be with knowledge of Ulster affairs: which many don't have). leisure industries enjoy affinent - so that their interviewees find it an ordeal equivalent to meeting the victims of their violence or hate speech.

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MOUAGE

Inhibitions about showing the rows of BMWs parked at the bloody carnage left after bombings should be removed. so that viewers of the main news programs are no longer anesthetized from the effects of the Ulster troubles.

Ulster is a beautiful place and has many moral giants among ordinary folk who have stood up to be counted in the name of peace. But it also has a larger minority ready to slaughter their neighbors, given the opportunity, than anywhere else in Europe including Bosnia. The present power-sharing arrangement holds out some

hope, but it will work only if accompanied by a process of social engineering as profound as that which the Allies carried out in West Germany after 1945. Make no mistake about its Ulster is a far sicker place then Germany was after a dozen years of Nazi power. Two hundred years of institutional bigotry have made sure of that. Unless Mr. Blair and Mr. Ahern roll up their sleeves, it will be hard to prevent this bleeding ulcer from contaminating life in the rest of Ireland and perhaps eventually in parts of Britain, too.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Manila Won

MANILA - The Stars and Stripes now float over Manila, which is in the hands of the Americans. The first shot was fired from the flagship Olympia at 9.40a.m. and a white flag was shown at 1.30p.m. Not a single portion of the city proper has suffered from the cannonade. The Spaniards engaged numbered 2,800, but their losses are not yet known. The American casualties appear to have been very slight.

In every respect the advantage was on the side of the attack. The American field gons threw heavier metal and had longer range, and the marksmanship of the United States gunners was much superior to that of the Spaniards. Worn out by a hundred days' siege, disappointed by the failure to arrive of the promised Spanish relief squadron, they had lost

heart in this hopeless struggle.

1923: U.S and Mexico MEXICO CITY — Represent

tatives of the United States and Mexico have signed the agree ment which will result in the recognition of the Mexican Govemment by the United States This was done at the conclusion of the conference which has been sitting for thirteen weeks ironing out the differences between the two countries, especially in regard to the confiscatory law which took over American prop city in the oilfields. The Amer ican delegates have left for Washington to submit the agree ment to President Coolidge.

1948: 'The Babe' Dies

NEW YORK - Babe Ruth baseball's immortal "King of Swat," died tonight [Aug 16] of cancer in the Memorial Hospital. The Babe had been ill for two years and sank rapidly in the last two weeks.

A Human Hand in the Yangtze Flooding

WASHINGTON — The floods in the Yangtze River basin, are the worst in 44 years. Official figures indicate that more than 2,000 people have drowned and 13.8 million have

been driven from their homes. Crops have been destroyed on 4.5 million bectares, 3 percent of China's total cropland. Industrial output has suffered as factories have had to shut. The transportation of goods and people has been disrupted. The overall effect on China's economy will be felt for many months.

Floods during the monsoon eason in southern China are a regular occurrence. There is a man hand in this, in the form of deforestation and intensive land development.

The Yangtze basin is home to 400 million people. To understand the population pressure in eastern and southern China, where most of the country's 1.2 billion people live, imagine squeezing the entire U.S. population into the area east of the Mississippi River and then multiplying it by five.
With such a density of pop-

ulation, the human pressure on the land is intense. The Yangtze basin has lost

85 percent of its original forest cover. The forests that once absorbed and held huge quantities of monsoon rainfall, which could then percolate slowly into the ground, are now largely gone. The result is much greater runoff into the river.

The construction of buildings and roads in the basin is increasing at a staggering pace. With the average household in China consisting of fewer than four people, a population of 400 million means 100 million housing units. And land hunger is forcing more and more homes to be built on the river floodplain. The extent of factory con-

struction also defies the imag-

ination. There is no precise data

force in the basin, but a rough

estimate would be at least 50

million. With the average factory

in the private sector employing fewer than 100 people, this means half a million factories.

on the size of the industrial work mousoon. Higher global temperatures are also leading to increased snowmelt. We don't know for

By Lester R. Brown and Brian Halweil

materials coming into the factory and for the finished products while they await ship-We can expect even worse ment. Each factory must have a road connecting it with the rest of the country. Collectively these homes and factories cover a vast area, further reducing the capacity of the land to absorb rainfall.

At the global level, the human influence on the floods is less direct but no less real. The global temperature during the first seven months of this year was the highest of any comparable period on record. The margin of increase over the previous record is itself a record. The month of July was the warmest month since records

began in 1866. Higher temperatures mean more evaporation, more intense storms and more rapid snow melt, All three could be con-

tributing to the floods. While there is no way of conclusively linking global warming with specific weather events. likelihood that they are linked has grown with each passing year in which higher temperatures are accompanied by more extreme weather events. That higher temperatures mean more evaporation is certain. And when more moisture

goes up, more comes down. Where it comes down is less predictable, but the Yangtze basin may well be one of the areas getting some of the additional rainfall.

Another likely effect is more intense monsoons — the results of seasonal warming over the continents as summer unfolds. As temperatures climb over the land, the air rises, pulling moisture-laden air from the oceans inland. The higher the temperature over land, the stronger the

sure whether the temperature

has risen this year in the snow-

covered regions that feed the ter flowing into the river.

upper Yangtze, but, given the dramatic rise in the global av-erage in recent months, it probably has.

floods in the years ahead. If the basin adds another 100 million people, as projected, in the next few decades, China will need to build another 25 million homes. As industrialization continues at a rapid pace, factory and road construction will also continue, further reducing the area of land that can absorb water and increasing the amount that will ultimately flow into the Yangtze. With the international com-

munity unable to agree on a meaningful effort to reduce carbon dioxide emissions, rising atmospheric levels of this greenhouse gas promise even nigher temperatures in the future with the potential for more evaporation, more rainfall and even stronger monsoons.

Over centuries, the Chinese have developed a remarkable capacity for shoring up dikes and protecting themselves from flooding. For example, 1.6 million troops have been mobilized in recent weeks to help protect the dikes and to move people out of areas being flooded. Literally millions of civilians are involved in this enormous human effort to contain the Yangtze.

Despite this effort, the Chinese have had to make difficult decisions. To save major industrial cities, such as Wuhan, they have had to open floodgates upstream, flooding local areas once they were evacuated. When open floodgates do not release enough water, workers are dynamiting holes in the dikes. More than half a million

people have been evacuated from areas that either have been flooded or may be flooded in the effort to save major cities. China deserves a lot of credit for the capacity it has developed to deal with flooding. But even

this is likely to be overwhelmed

in the future as human activ-

ities, both local and global, in-

crease the sheer volume of wa-

With the region so densely populated, there is simply no place to put additional water, except where people already live. Future evacuations are likely to dwarf those up until now. The 400 million Chinese liv-

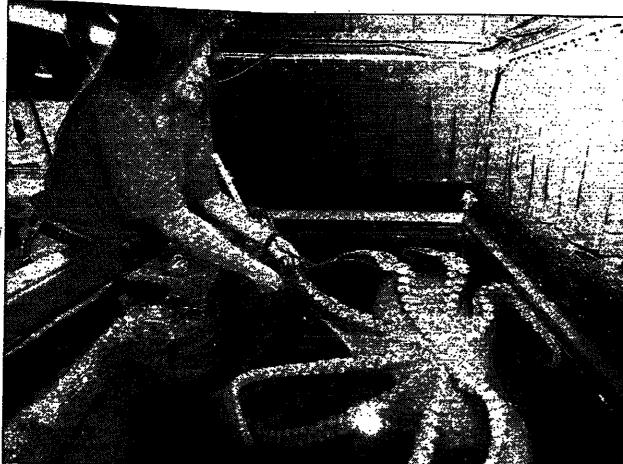
ing in the Yangtze basin are beginning to feel directly the effects of altering the environment. Other countries with rapid population growth can now see the consequences of waiting too long to stabilize population. This should be a warning to the international community to

begin working together to lower greenhouse gas emissions before climate change affects even more people.

Mr. Brown is president and Mr. Halweil a staff researcher at the Worldwatch Institute, a nonprofit research organization based in Washington that anatyzes global environmental and development issues. They contributed this comment to the International Herald Tribune.

The writer holds the chair of ethnic peace and conflict at Bradford University. He contributed this comment to the International Herold Tribune.

xtremists



Carrie Reidel, a keeper at Washington's National Zoo, with one of her favorite invertebrates.

Can an Octopus Have Fun? Maybe

By Natalie Angier

pets you back.

explores you. And at first you jump, and then you laugh, and then you practically yodel with joy, for the sensation of an octopus fondle is unlike anything you have sensated before. Its flesh is slippery and silky, like the inside of your cheek, or a spoonful of flan. And arrayed in pairs along the underside of its eight arms are its extraordinary suckers, the animal's way of knowing the world.

An octopus has 1,200 or more mus-

cular suckers, and each one can move independently, sucking and plucking and nuzzling at an object like a tiny infant mouth rooting at his mother's breast.

"Watch out for your rings!" Carrie. Reidel warned. "He can pull them right off your fingers." Ms. Reidel is a keeper at the Invertebrate House of the National inid-cephalopod groping. She hovers over the tank, a long pole at the ready. Sometimes the octopus suctions hard enough to

Today the octopus, a 2-year-old, 30pound male of the species Octopus dofleini, is in a gentle, languid mood, and he soon releases his mesmerized guest. As he swims off, his limbs snake around him like the scarves of Chinese dancers, the membranes between them billowing

An octopus is an invertebrate, a mollusk, no less, and thus in the same taxonomic category as clams, oysters and snails. Yet the octopus stands head and ing with the red octopus, a small species is seen in their cousins closer to shore. multiple shoulders above other inverfound off Seattle in Puget Sound, the "Look at that, look at that!" she said

affection and fascination. aahs, and a comparative disdain for other creatures in the vicinity, even the tarantulas. Keepers at aquariums and bristly brush, and how readily zoos say they will name their octopuses, on proffered prey like a crab.

EW YORK — When you pet trout? The ancients revered octopuses: a cat, the cat purrs. When you The Minoans painted them on vases The Minoans painted them on vases pet an octopus, the octopus 3,500 years ago, while the early Hindus O.K., maybe it doesn't quite pet. It depictions of such poly-limbed gods as loops a limb around your hand, and it Siva and Vishnu.

Most smitten of all are octopus biologists, who never tire of their subject, never question their career choice and never hesitate to draw attention to the beauty and sophistication of the oc-

Some will talk about how clever the octopus is, "the most intelligent inver-tebrate in the world, there's no denying said Roland Anderson, a biologist at the Seattle Aquarium. How smart is smart? Smart enough to

want to have fun. In July, Jennifer Mather, an associate

professor of psychology and neuros-cience at the University of Lethbridge in Canada, reported at the Animal Behavior Society annual meeting that oc-topuses engage in play behavior, a mark. Zoo in Washington, home to the giant of relative mental complexity and noroctopus now engaged in an act of hom- maily considered the province of young mammals. But Dr. Mather described her observations of an octopus in an aquarium that deliberately took a bottle over to the current of water in its tank, watched it miliar species or an entirely new one. float along the current, and then brought it back to do the same thing again and

> "If that isu't play behavior," she said, "I don't know what is."

The octopus also has real personality. Dr. Mather and Mr. Anderson recently described their laboratory studies sugpassive, aggressive and paranoid. Worktebrates in its capacity to elicit human researchers repeatedly tested 44 indi-affection and fascination.

Visitors to the National Zoo express — for example, how each octopus retheir admiration with hoots, sighs and acted when somebody opened its tank and looked in, how it responded to a "threat" in the form of a touch with a bristly brush, and how readily it pounced

for the anemones or the fish - and did brush, and grabbed the crab immediately the Beatles ever write a song about a upon seeing it. Those subjects the re-trout? The ancients revered octopuses: searchers labeled aggressive. Others cringed from the brush and would wait until they were alone, after nightfall, to may have used them as inspiration for eat their crabs — the passive ones. Still others, the paranoids, would respond to a threat by letting out a burst of ink and jetting away. Each animal was consistent in its behaviors from one round of

'We feel strongly that octopuses have personalities," Mr. Anderson concluded.

CTOPUS biologists love octopuses even though they are notoriously hard to study in the wild, and even though there is little financial support for their passion. None of the 100 or so described species of octopus is thought to be in danger of extinction, and so the field lacks the cachet of eco-consciousness. Nevertheless, biologists love octopuses living and dead.

Janet Voight of the Field Museum in Chicago has a lab full of pickled octopuses in jars, specimens dredged up from oceanic depths of two miles or more by submersible vehicles. She dissects each rubbery corpse delivered to her, seeking to determine if it is a fa-

She and others suspect that there are at least as many octopus species out there to be discovered as are already described. Dr. Voight also watches hour upon hour of videotape taken by cameras aboard the submersible vehicle Alvin, of ghostly octopuses creeping along the moonscape floor of the sea, or near the gesting that octopuses come in at least thermal vents. She is trying to under-three different temperamental humors: stand how the biology and behavior of deep-water octopuses differ from what

> "Look at that, look at that!" she said, pointing excitedly to the video screen.
> "It's doing a breast stroke! I don't know if I've ever seen another octopus do that." She turns sheepish. "I'm like a parent with videos of my babies, aren't I?

> "There's something magical about them," Dr. Voight said of the octopuses. "They remind us of ourselves."

When Speech Is Cut Off

New Uses for Implants to Repair Vocal Cords

By Erin St. John Kelly

EW YORK — Jean Morris is voman with an easy laugh and a gift of gab. She was also a lifelong smoker until she was diagnosed with emphysema. A little over a year ago, in April 1997, in an operation to reduce some of her diseased lung tissue, her left lung collapsed. The procedure to repair it left her permanently unable to speak above a whisper.

"That's frustrating, because I have

some things to say," said Ms. Morris, a 67-year-old registered nurse.

Doctors have long been trying to give people their voices back. In the 19th century, Victorian physicians attempted to do it with electrical stimulation. In the 20th century, ear and throat specialists, otolaryngologists, have treated the voiceless with a variety of what they call larynoplastic phono surgeries -- operations to make vocal cords work again.

For the future, Steven Zeitels, a sureon at the Massachusetts Eye and Ear Infirmary in Boston, sees a return to electricity in the form of tiny pacemakers eering operations to restore the voice without implants by manipulating the cartilage in the throat. But implants are still widely used and some researchers are expanding the ways they are used.

Among them are two doctors of otolaryngology at the Johns Hopkins University School of Medicine in Baltimore, Charles Cummings and Paul Flint. They refined a procedure with new instruments and implants that enabled Ms. Morris to

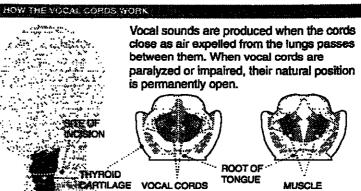
be heard and to be herself again.

On March 31, Dr. Flint put a newly available implant, made of a calciumbased synthetic bone material, in Ms. Morris's throat. The implant, called a Vocom, or vocal cord medialization, holds the cord closed when not in use and adds bulk to weak cords, improving both a patient's voice and swallowing function.

When vocal cords are severed or impaired, their natural position is open, and that means they are unable to trap air, which in turn creates difficulty in breathing, exercising and eating. When a person swallows, the vocal cord closes and protects the airway, but when it is open permanently, a person is at risk of chok-- even on his or her own saliva.

In 1938, doctors began to repair such damage by injecting Teflon paste into the vocal cord to bulk it up and close it. But, Dr. Cummings said, that was an imprecise method, irreversible, unadjustable and unstable. It also could be rejected by the body and lead to in**Restoring Lost Voices**

A throat implant made of hydroxylapatite, a calcium-based synthetic bone material, can make speaking and swallowing easier for someone with throat damage.



helping the vocal cords to open and close flammation or infection. Next came a normally. He is now performing pion-solid form of silicone in a rubberized flammation or infection. Next came a trial that involved two other hospitals, cube. With this procedure, still widely used, the surgeons whittle the cube to fit the waiting patient. But, Dr. Cummings said, "There was a need to have a better

> of otolaryngology surgery at Johns Hop-kins Hospital, and Dr. Flint have devised a set of instruments and implants in five different sizes, allowing for a faster, more predictable operation, they said.

> The device is put into the throat through an incision off the center of the neck below the Adam's Apple while the patient is awake. The doctor inserts different sizes until the patient is satisfied with her voice. Ms. Morris said she told Dr. Flint "to keep going until I sound like Celine Dion.

> Christy Ludlow, a speech and lan-guage pathologist at the National In-stitutes of Health, said the devices are for patients who do not recover spontaneously from nerve damage. "They can restore very good voice function," she said. "If someone was previously a singer, they won't return to being a singer, but they will have a voice adequate for

> The United States Food and Drug Administration approved the manufacture and marketing of the Vocom throat implant late in 1997, but during the year Dr. Cummings and Dr. Flint said they performed as many as 100 procedures with their implants as part of a clinical

Columbia Presbyterian in Manhattan and the University of Wisconsin.

The implants have also been available in Europe since 1994, said Brad Beale of Smith & Nephew, the Memphis company that makes the five sizes of implants. " Dr. Cummings, who is the chairman is difficult to know the ultimate potential for it, but 12,000 to 15,000 patients are having a procedure like it yearly," Mr. Beale said. He would not say how many had been sold, but said, "I can say it has been very successful in Europe."

> HE sized implants, however, have not won universal acceptance in the field. Clark Rosen, a spokesman for the American Academy of Otolaryngology and director of the University of Pittsburgh Voice Center, said: The real question is: Is everyone's larynx and everyone's vocal cord problem fixable with five easy implants?

"The human body," he added, "is more complicated than that. It's three dimensional." Dr. Rosen uses the cube which he whittles to fit each patient. 'When I carve my implants, I can cus tomize in three dimensions," he said. But the more important factor, regardless of the implant used, Dr. Rosen said, is having an experienced specialist per-form the procedure, "That's how you're going to get the best results," he said. As for Ms. Morris, she is speaking

well and pleased with the results. have a lot of things to do yet," she said, "and I need to talk to do them."

IN BRIEF

A Gene's Defect and Breast Cancer

NEW YORK (NYT) — Scientists at the University of North Carolina have made an important discovery about how defects in one of the two breast cancer genes, BRCA1, raise the risk of the disease: They leave cells without the normal ability to correct certain mistakes that commonly occur in their genetic machinery.

Scientists and experts elsewhere say the finding has potentially important clinical implications for people known to carry the defective gene in their cells. On the one hand, it could result in more effective treatments for hereditary breast cancer. It could also lead to a test that would predict which of the women and men who carry the defective gene are most likely to develop cancer. On the other hand, the new understanding raises questions about starting at a young age to do regular mammograms in women who inherit the defective gene.

The new information, reported in Friday's issue of the

journal Science, will add to the understanding of how cancer

starts and what might be done to prevent it.

Meteorite Doesn't Contain Signs of Life LITTLE ROCK, Arkansas (AP) - Scientists were mistaken when they thought a potato-sized rock found in Antarctica held evidence suggesting that life existed on Mars at one time, according to three papers in a journal about meteors.

One article in Meteoritics and Planetary Science, published at the University of Arkansas, says non-Martian rocks showed the same "evidence" of life. The other articles say temperatures were too high for nanobacteria to form and leave organic evidence in the nooks and crannies of the 4.5 billionyear-old rock. The rock, Allan Hills 84001, is the oldest of 12 known meteorites that are thought to have been jolted from the Martian surface with a glancing blow about 15 million years ago and then to have landed on the Antarctic ice sheet about 13,000 years ago.

Severed Thumb is Regrown From Cells

WASHINGTON (WP) - Doctors at the University of Massachusetts Memorial Medical Center have performed experimental surgery to replace the missing end of a man's thumb, using the patient's own bone cells, specially grown in a laboratory, to form a replacement bone.

Although surgeons frequently use pieces of a patient's bone as grafts during spinal and orthopedic surgery, the operation at the Worcester, Massachusetts, hospital Friday represents the first time that a laboratory-grown bone replacement, made of living cells combined with an artificial "scaffold," has been implanted into a human being.

The bone implant was developed by Charles Vacanti, chairman of the department of anesthesiology at the University of Massachusetts Medical School. John Shufflebarger, a hand surgeon, inserted the implant.

Many Doctors Ignore Euthanasia Guides

CHICAGO (AP) — Doctors who help patients end their lives frequently fail to consult with other physicians and sometimes don't even involve the patient in the decision, a new study has found.

The study, carried out at the Center for Survey Research at the University of Massachusetts and published last week in The Journal of the American Medical Association, reported that of 355 cancer specialists surveyed, only 10.7 percent reported a case of either euthanasia or physician-assisted suicide.

Supporters of euthanasia and physician-assisted suicide have proposed three primary safeguards for terminally ill patients: The patient must initiate and repeat the request, the patient must be evaluated by another physician and the patient must be in extreme physical pain. Slightly more than a third of the doctors who reported a case said they adhered to all three guidelines. But in 15.3 percent of the cases, the patients were never involved in the decision. In those cases, the families had asked to end the patients' lives. More than 60 percent of doctors who had a case said they did not consult another physician.



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LANGUAGE

Hashing Out the Court's Language

By William Safire

ASHINGTON — Justices of the Supreme Court may hand down the final word on the law, but they cannot offer the final word on the words. That's for all of us to hash out (cf. Marbury v. Safire). In concurring with the court's de-

cision to refuse to hear a case brought by unendowed "performance artists" against the National Endowment for the Arts, a testy Antonin Scalia took aim at the language of the statute controlling that federal agency.

The law reads: "Artistic excellence Founders' intent, you are wise to use the definitions they turned to at the and artistic merit are the criteria by

which applications are judged, taking into consideration general standards for decency and respect for the diverse beliefs and values of the American public. Scalia took a bead on the portion of

the law I italicized. That, he wrote, "is what my grammar-school teacher would have condemned as a dangling modifier. There is no noun to which the

in their draftsmanship? Yes. The solipsistic solons, in choosing to modify the first part of that sentence, should have recast it to provide a subject anchor. "Judges should judge applica-tions using the criteria of artistic excellence and artistic merit, taking into consideration, etc." Scalia's grammarschool teacher, whose strict constructionism apparently influenced the fu-

ture jurist, was correct. Later in this decidedly grouchy conthe meaning of a participle properly connected to a noun in the First Amendment "Congress shall make no dictionary at hand, which was primar-

law ... abridging the freedom of speech." (Law is the noun that is being meaning. More likely, they took its modified; abridging, the participial sense of "constrain" from the works

modifier.) "To abridge is 'to contract, to di-minish; to deprive of," wrote the justice, giving as the source for that ness, and the constraint it puts upon us, definition "T. Sheridan, a Complete no body, I think, accounts an abridg-Dictionary of the English Language (6th ed. 1796)." He went on to opine that denial of taxpayer subsidy was no abridgment of speech, but the question to lexicographers is: Why did a justice in 1998 use a 1796 dictionary? Can't

the court afford a new one? Answer: In examining the the definitions they turned to at the time. In 1789, when James Madison drafted the Bill of Rights, Noah Webster had not yet produced an American dictionary. A school dictionary was in print that had no authority in terms of meaning, but the great, authoritative Samuel Johnson dictionary did not cross the Atlantic until 1818 in its 11th

"Scalia or whoever did the research for him," says Fred Mish, editor in chief of Merriam-Webster, "chose from a group of four dictionaries from that period available here, all British, that all focused on pronunciation: John Entwick's, William Perry's, John Walker's and Thomas Sheridan's. Sheridan was an Irishman and a stage actor (as was Walker) and probably based his work on his stage elocu-

Today, abridge still has a sense of Supreme Court of the United States, "diminish," but its primary meaning "the word 'carry' in its ordinary sense is "shorten, condense." The meaning Later in this decidency groundy out of "deprive" is now considered ar- word, used in its ordinary sense, keeps currence, Scalia directed attention to chair, but that is what the Founders had the same meaning whether one carries in mind. They may have found it in the a gun, a suitcase, or a banana."

of John Locke, popular with Consti-tution writers and later cited by Johnson: "The constant desire of happino body, I think, accounts an abridg-ment of liberty...."

If you think that's splitting hairs, at least it deals with what to some of us is the most important word in the Constitution. Turn now to the lengths to which Justices Stephen Breyer, writing for the majority, and Ruth Bader Ginsburg, whose dissent was joined by William Rehnquist, David Souter and Scalia (presumably still thumbing his Sheridan), went in debating the meaning of a fairly common verb: to carry.

In Muscarello v. U.S., the issue was whether the phrase carries a firearm meant only "bears on your person" or could be interpreted to mean "transports in the trunk or glove compartment of your car." The broader con-struction meant jail for the defendant.

Only the 26th definition of carry in the Oxford English Dictionary, wrote Breyer, was directed to the special meaning that the defense used to narrow the meaning of the law: "to bear, wear, hold up, or sustain, as one moves about, habitually to bear about with

In the opinion handed down by the includes carrying in a car and that the

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BUSINESS/FINANCE

MONDAY, AUGUST 17, 1998

Asian Crisis: Catalyst for Change or Catastrophe?

Benefits for U.S. and Europe, for Now

By Carl Gewirtz

PARIS — Despite the daily expressions of fear about how instability in emerging markets might spread some kind of deadly contagion throughout the world, the fact is that financial distress in many developing countries as well as Japan continues to According to David Greenlaw at Morgan Standard and the stable part of which course to the cost of overnight money. be nothing less than a windfall for the United States as well as for Germany and some of its

It remains to be seen whether the impact remains beneficial, but last week - amid a run on mains beneficial, Dut and a speculative attack on the Russian ruble and a speculative attack on the Hong Kong dollar — long-term interest rates in the United States fell to lows not seen since 1968 ing.

"History doesn't offer any guidance in assessing where we go from here," Mr. Greenlaw noting that interest-sensitive sectors are

manage their economies. Sustained low interest already booming — "home sales are at all-time rates are a fundamental condition needed for a records, and capital spending is expanding at a healthy economic performance. Low interest rates are a spur to businesses and individuals to borrow money that, when spent, fuels economic growth.

It is through government's control over the cost of overnight money that supply and demand sets interest rates throughout the maturity spectrum. record low of 4.44 percent. Analysts are now Logically, the overnight cost sets the base from debating how long it will take for the yield to fall which all other rates are scaled up - forming what is called an upward sloping yield curve. Extraordinarily, the U.S. curve is now down-

ward sloping. The cost of overnight money, set by the Federal Reserve Board, which meets Tuesday to review its policy, is 5.5 percent. Actual market

ley, this is only the eighth period of yield-curve inversion in the United States since 1955. The other seven, he notes, all occurred due to the market's temporary inability to keep up with dramatic changes in the Fed's administered rate.

double-digit pace.

In Germany, the slope of the curve is still positive with the Bundesbank's overnight rate at 3.3 percent and the yield on the government's 10year bond at 4.47 percent after setting a midweek record low of 4.44 percent. Analysts are now

See RATES, Page 13

Unclear Path as Market Forces Churn

By Sandra Sugawara Washington Post Service

TOKYO - Hidetaka Ishikawa, a Japanese cement company executive, slumps forward and sighs. "We never thought it would be this bad or go on this long," he says.

The yearlong economic crisis in Asia, coupled with the seven-year slump in Japan's own economy, has brought most construction work to a halt. Major customers of Nihon Cement Co., Mr. Ishikawa's employer, are cutting back purchases. We feel powerless to do anything about it." he

When currency traders forced Thailand to devalue its currency last summer, Mr. Ishikawa took note. But he was more preoccupied with the opening of his company's new plant in China, which was to produce cement for the booming Chinese and South Korean markets. Now, of course, the South Korean economy has collapsed and China's is slowing.

"I almost wish we could get rid of that plant, but of course we can't," Mr. Ishikawa says. Cement plants are not hot items in this depressed

At this juncture, it is unclear whether the brutal global market forces that are hammering most of Asia are almost over or just beginning. Among some of the region's most experienced investors, two widely divergent views are emerging about

what shape a new Asia will take. Some believe that Asia, which still has a phe-nomenal savings rate, a highly skilled and disciplined workforce and a modern infrastructure. will emerge stronger than ever. They say the economic crisis may well be the catalyst for sweeping away political, financial and industrial systems that served the region well at a time when it was evolving from an exporter of sugar cane, textiles and cheap toys to a major manufacturing exporter, but now does little for the region's npetitiveness.

Already, several Asian nations are enacting banking reforms and opening their markets to foreign investments, triggering an inflow of for-eign capital. Wal-Mart Stores Inc. and Metropolitan Life Insurance Co. recently announced big deals in South Korea, and General Electric Capital Corp. has made several major acquisitions in

Mark Mobius, the outspoken, emerging-markets portfolio manager for the investment company Franklin Templeton, has been investing heavily in the region since last fall. "One thing you notice traveling around is that there is a tremendous infrastructure in these countries bridges, roads, telecommunication systems, power systems. They're ready for the next takeoff," said Mr. Mobius, who is based in Hong

See CRISIS, Page 13

Hyundai Strikers Vow to Fight On

But Desperate Air Hangs Over Tents at Company Compound

By Don Kirk

ULSAN, South Korea - An air of quiet desperation hangs over the plastic and vinyl tents lining the streets inside. the main compound here of Hyundai Motor Co.

Housewives lead workers in song, and vans with loudspeakers cruise the streets announcing the news of the next rally. Children scamper in the shadows of idle assembly plants, and fight slogans are painted on walls and streets.

In furtive groups outside their tents, the men who helped the company pro-duce more than a million vehicles last year explain why they have virtually. taken over the compound and will not let the company make another vehicle until management agrees to their demands.

"We are fighting for life," Kim Jong Myung said Sunday, more than a month since July 13, when the assembly lines join in lines of defiance, breathing tear here produced their last vehicles. "We gas and taking body blows from thouthink the responsibility for suffering lies sands of policemen poised to drive them with the company, but the company from their temporary homes. doesn't suffer. They blame the union "Yes, we are afraid of

weekend with the repeated refusal of sharing a tent with 100 others between a

For the 28,000 union members, the way to die."

issue is simple: Shorter work weeks, yes; lower wages, maybe, but layoffs, never.

The management position is just as tion, "We may as well plain. With sales during the current eco-fight to the end until the nomic crisis down to 45 percent of last police come in." year's level, it is necessary to lay off
1,500 workers while accepting "voluntary retirements" from more than
6,000 others and giving two-year furloughs to another 1,000 or so.

"Most of the workers are for us," said

"Most of the workers are for us," said

"Most of the workers are for us," said

"The prospect of such a
showdown has thoroughly shaken the government of President
Kim Dae Jung, who
earlier this year engi-

a Hyundai spokesman, Lee Byung rio, in the company headquarters across a square from the nearest workers' tents. "More minor leaders, managers and government officials would come to terms on for layoffs in a

almost annually during the early part of this decade, the current showdown appears more intense than the strikes of years gone by. The difference is that hundreds of women and children now live in the tents, ready, say the women, to

The standoff intensified over the of three children aged two through four, presenting an ultimatum. both union members and management to cafeteria and a supply building, 'but if union watched his followers from a platchange their positions.

Cafeteria and a supply building, 'but if union watched his followers from a platchange their positions.

The amount was also far bigger than our husbands lose their jobs, that's also a form atop a scaffolding made of iron of this year, with their combined balance last year's year-end losses of 4.5 trillion

time of economic tur-

even one person cannot be laid off," Mr. Ahn said. "We asked the union to collect opinions through the night. We will "Yes, we are afraid of the police wait until Monday morning for anything the death."

Down the street, the leader of the



Sunday night, a deputy minister of labor. Hyundai's president, Park Byung Jae, with glasses, is prevented from entering the plant.

Ahn Young Su, arrived in an 11th-hour bid for compromise. buildings Inside the building, a union time, Agence France-Presse reported "The labor union says there is no truce, spokesman said the leader would hold out through any police attack. "If there is a police raid," he said,

"the union's attitude is we will fight to ■ Companies Have Bad First Half

South Korean companies suffered sults. pipes erected on one of the Hyundai sheets plunging into the red for the first won.

Sunday from Seoul, quoting government officials.

In the six months ending on June 30, 543 firms listed on the Korea Stock Exchange posted combined net losses of 13.67 trillion won (\$10.3 billion), the first setback in six-month company re-

Russia Tries To Rebuild Confidence

No Ruble Devaluation Kiriyenko Aide Asserts

Compiled by Our Stuff From Disputch

MOSCOW - The Russian government sought to reassure investors on Sunday that the financial situation was under control, despite growing speculation that Moscow might have to devalue the ruble to meet its obligations.

"There's no fire, there's no tragedy," said Konstantin Voitsek-hovich, spokesman for Prime Minister Sergei Kiriyenko. He also reiterated the government's pledge to keep the ruble stable and avoid a devaluation.

The assurances come as the State Duma, or lower house of Parliament, prepares to meet this week to consider taking up revenue-raising measures it

failed to adopt in July.

A \$22.6 billion loan package, pledged by international lenders last month, is tied to Russia's ability to boost revenue and narrow the budget deficit.

Mr. Kiriyenko discussed the nation's finances Saturday with the Bank of Russia chairman, Sergei Dubinin; the finance minister, Mikhail Zadornov, and Anatoli Chubais, Russia's chief negotiator with international lending agencies, the Interfax news agency said.

Both Mr. Dubinin and Mr. Chubais cut short their vacations to return to Moscow to deal with the financial

Reports that the Group of Seven leading industrialized nations were discussing additional aid to Russia helped the benchmark RTS stock index rise 13.7 percent on Friday after plunging to a 27month low the previous day.

George Soros, the billionaire American investor who is active in the Russin micker, appeared to back away imments last week that Russia should devalue the ruble.

Speaking on Moscow's Echo Radio, Mr. Soros said he envisaged a monetary committee linking the ruble to a stable currency like the dollar.

'For every ruble in circulation there should be an equivalent of strong currency backing it up," he said.
The creation of such a system could

mean an initial fall of the ruble's value by between 15 and 20 percent, but it would then stabilize.

The financier denied that he was trying to profit from a devaluation of the ruble and said that a letter of his, published in the Financial Times last week advising a 15 to 25 percent devaluation in the ruble, had been misinterpreted.

He said he had no interest in the devaluation of the ruble, adding that his own investments in Russia could be hit by such an action. "I acted in the in-terests of Russia," he said, adding he was "vexed" by accusations that he had been seeking to provoke a financial (Bloomberg, AFP)

Union Strikes US West After Bargaining Fails

DENVER - US West Inc. was struck early Sunday by the union representing 34,000 clerical and technical workers after weeks-long contract talks failed, prompting the company to bring in 15,000 management employees to maintain services to 25 million telephone customers. Jeff Miller, a spokesman for the Communication

Workers of America, said that despite intense last-minute bargaining, negotiators were unable to reach agreement on forced overtime, health benefits and the company's plan to link pay to performance.
US West Inc., the nation's sixth-largest phone com-

pany, said union employees walked off their posts Sunday after negotiations over a five-year wage and benefits package failed. The CWA represents more than half of US West's 51,000 workers.

The latest strike in the U.S. telecommunications industry comes as companies are cutting costs to boost returns and compete in a consolidating global market. Bell Atlantic Corp., the largest U.S. telephone company, and its CWA local union representing 73,000 workers came to a contract agreement last week after a two-day strike. US West said it expected some interruptions to service.

Local and long-distance communications were unlikely (Bloomberg, Reuters) to be affected, it said.

CURRENCY RATES

Closings in Amsterdam, Landon, Mikar, Parts and Zunich, Radogs in other centers New York and Taronto rates at 4 P.M.

2. Closings in Amsterdam, Landon, Mikar, Parts and Zunich, Radogs in other centers New York and Taronto rates at 4 P.M.

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Other Dollar Values

Forward Rates

20-day 40-day 90-day

CYBERSCAPE

As Web Sites Track Users' Habits, Privacy Advocates Wince

By Saul Hansell New York Times Service

EW YORK — Some of the largest commercial sites on the World Wide Web have agreed to feed information about their customers' reading, shopping and entertainment habits into a system developed by a Massachusetts company that is already tracking the moves of more than 30 million Internet users, recording where they

go and what they read, often without the users' knowledge. The agreement calls for the participating Web sites to track their users so that advertisements can be precisely aimed at the most likely prospects for goods and services.

But while this system guarantees the anonymity of in-

It may be possible to keep a record of

every site you click, every page you

download, every product you order.

dividual users, the underlying technology disturbs privacyrights advocates, who have long worried about the growing ability of on-line companies to collect and store personal data about people who use the Web.

Many individual Internet services have begun to amass detailed records of who uses their sites and how they use them. But this new industry cooperative represents the most ambitious effort yet to gather disparate bits of personal in-formation into a central database containing digital dossiers on potentially every person who surfs the Web.

Participating sites will include the Lycos-Tripod site, which was visited by 14.8 million people in July, according to Relevant Knowledge, a market research firm, and the Geo-Cities virtual community of more than 2 million personal Web sites that attracted 14.2 million visitors last month. The system's proponents extol its promise for delivering precisely directed, sometimes personalized, ads. For example, an Internet user who looks up tourist information

| Color | Colo about England on a travel site in the network might be fed ads for airlines flying into Heathrow Airport and for hotels in London as he checks sports scores. "If someone comes to your bookstore the first time, you can find out if they are interested in mountain climbing, organic gardening and tennis; you can present them books related to their interests immediately," said David Wetherell, the chief executive of the company behind the Internet system,

CMG Information Services of Andover, Massachusetts. In addition to a few large sites, CMG has attracted a host of smaller participants like NBC Videoseeker and Ticketmaster. CMG's system and a dozen other similar efforts under development are rooted in the same marketing needs that have prompted direct-mail companies to assemble mailing lists using nearly every publicly available scrap of information on

people, from their auto registrations to their vacation habits. But while mailing-list companies are limited to identifying people for mailing lists by broad interests — for example, subscribers to fishing magazines - Internet-based systems can find a person who reads articles about fishing even if the Web page he is visiting is part of a general news or recreation

The Internet systems can also tighten their focus by, say, : Itolia a cina a operator to someone who has

spent time reading about deep-sea fishing.

Mr. Wetherell argues that CMG's system, known as Engage, protects people's privacy in ways that mailing-list companies never can. In particular, he says, Engage does not record the name, street or e-mail address or credit-card numbers of the people it profiles.

Instead, it places a unique identifying number on the computer hard drive of every person who visits one of the participating sites. That way the system can keep track of all the sites visited by that computer, regardless of the identity of

"We took the highest road you could possibly take with respect to privacy," Mr. Wetherell said. "We think you can learn a lot more about someone from their behavior than from their name and address."

Moreover, a user can choose not to have his or her surfing observed, by visiting the company's Web site (www.engage.com) and selecting an option that will remove the identification num-

ber, known in the language of the Internet as a "cookie," from their computer. Users can also set their Web browsers not to put any cookies on their computers, but this can complicate access to some sites.

Some privacy advocates agree that Engage's promise of anonymity could help protect Internet users from hackers and commercial or government snoops.

"The big long-term concern about privacy is the sur-reptitious compilation of every site you click, every page you download, every product you order into a single database," said Marc Rotenberg, the director of the Electronic Privacy Information Center in Washington. "Anonymity is like solar energy. It's a way to produce what you want without the unpleasant byproducts.

Yet Mr. Rotenberg and others also say they are concerned about whether Engage and all the participating sites will strictly maintain this promise of anonymity. "Engage has done many good things to protect privacy, but

my worry is they are firing the starting gun in the race for the bottom," said Jason Catlett, the president of Junkbusters Corp., a privacy consulting firm in Green Brook, New Jersey. 'The worst actors will be left to use the most sophisticated surveillance techniques as they please." Indeed, last Thursday, in the federal government's first

enforcement action to safeguard privacy on the Internet, the Federal Trade Commission accused GeoCities of selling personal information about its members. GeoCities said it did nothing wrong, but changed its notification to members about how data about them would be used. It is not illegal for Internet services to sell personal in-

formation about their customers, and there are few laws

protecting consumers' privacy in cyberspace. The Clinton administration's policy is that businesses engaged in elecmonic commerce should police themselves. Yet there have been several recent instances in which

companies have either lied outright to their customers or otherwise failed to live up to their own rules. إ فيست فكف الله المحمد وسائد بالسطاع العام بأه بشاء وقد والحاث الأعاد

the chance to shield their actual identities behind pseudonyms known as screen names. But the U.S. Navy recently forced the retirement of an 18-year veteran. Master Chief Petty Officer Timothy McVeigh, after a customer-service representative for America Online violated the company's policy and identified Mr. McVeigh to a Navy investigator as the owner of a screen name with marital status listed as "gay."
In order to avoid such problems, CMG executives said they

would not track some on-line behavior that could be especially "We decided to avoid sexual preferences, adult content and medical information, because they are controversial," said

Daniel Jave, the chief technical officer for Engage.

Recent technology articles www.ihr.com/IHT/TECH/ Internet address: CyberScape@IHT.com

CITIMARKETS

58, Boulevard Grande-Duchesse Charlotte, L-1330 Luxemi

NOTICE TO ALL UNITHOLDERS Effective September 2, 1998, Articles 2, 5, 6, and 10 of the Management

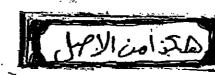
Regulations will be amended to reflect the following changes: Company the right to decide whether the fees incurred by Information services, consultants or other services she has requested, will be borne by the Fund or the Management

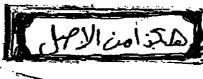
Articles 6, 10, 19: to specify that any subscription, red or conversion application has to be received at the Office of the Distributor or Transfer Agent. Each investor may however subscribe, redeem or convert units of the Fund without using the services of the Distributor or Transfer Agent, by sending

an application to the Fund. Moreover, Article 19 includes that in case conversion requests would lead to a significant volume of redemptions in any single portfolio on any Dealing Day, the Management Company may apply a conversion fee of up to 1% of the net asset value per unit in favour of the portfolio from which the conversion is requested and/or decide to defer part or all conversion requests in the same manner as described for the redemptions. This amendment will take effect one month after the date of this publication. Until that date the unitholders may redeem their units free of charge.

The Investment Objectives of the Citimarkets Global Equity fund and the Citimarkets Global Emerging Markets fund has been amended to allow investments in Russia. The investments in Russia are limited to 10% of the total net assets of the respective portfolios and this limit includes direct investments and any other unquoted securities and securities dealt on unregulated markets. A revised Sales Prospectus will reflect these changes.

CITIMARKETS S.A.





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Compiled by Our Stuff Front Dispatches

NEW YORK - Bond market bulls say the rally that pushed yields on benchmark 30-year U.S. Treasuries to a record low of 5.54 percent on Friday is not over.

Treasuries are obviously the place to be," said Michael Mullaney, who manages more than \$1 billion at Boston Partners Asset Management. "They'll most likely be the best-performing asset class for the foreseeable future."

As the economic turmoil in Asia and Russia spreads through global financial markets, it is likely to curb growth in the the Japanese recession deepened and United States and drive interest rates lower, analysts said.

The domestic economy means absolutely nothing these days" to bond buyers, said Michael Ferrara, vice president of interest-rate trading at Swed-Bank in New York. Asia will become interest paper at Strategic Fixed-Income less of a factor and Eastern Europe will in Arlington, Virginia. Long-term yields

grow in importance, he said, adding, could fall to 5 percent, he said. It's more Russia getting worse than Asia getting better.

Gwen Wagner, economist at T. Rowe Price in Baltimore, agreed. "The market seems to be focused not so much on the

U.S. CREDIT MARKETS domestic economy as on foreign econ-

omies." she said. Investors piled into Treasuries last week, sending yields to record lows, as speculation grew that Russia might devalue its currency or default on debt

payments.
"If you pull back the drapes, it's a mess outside," said David Jallits, who helps manage about \$5.5 billion in fixed-

4¼ 12/17/99 100.5486 4.2300 9 01/22/01 111.3850 8.0800 6% 06/11/03 110.5900 6.1900 2870 10/74/99 99.5429 2.4200 89% 05/21/01 111.1400 5.5000 6 09/15/03 107.4500 5.5700 5 08/20/01 107.5400 4.8800 7/4 10/21/02 111.3673 6.4000 7/4 10/01/02 113.1307 6.5000 8/5 02/20/01 110.5300 7.5900 6.000 8/6 05/13/04 111.7859 7.3800 8/4 09/20/01 111.7859 7.3800

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834 09/29/01 111.7859 7.3800
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634 07/15/04 112.0600 6.0200
634 07/15/99 103.1600 6.0200
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635 07/04/09 107.5000 4.9300
434 07/15/08 99.1400 4.7900
6394 08/04/05 102.2900 4.8800
6394 08/04/01 51.8000 5.2200
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Last week, the yield on the benchmark 30-year bond fell 6 basis points, to 5.54 percent, the lowest since the government began regular sales of the securities in 1977. An investor who bought the bonds at last week's \$10 billion auction has already realized a gain of about \$7.50 per \$1,000 bond. Treasury bonds have returned about 9.2 percent so far this year, when price gains and coupon pay-

ments are included. The bond market had little trouble absorbing the \$37 billion of notes and bonds the government sold this week.

"Interest rates are falling as more and more money moves into the safe haven," said David Kotok, who oversees about \$500 million in bonds at Cumberland Advisors in Vineland, New Jersey. "I believe we're going to see

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02/01/99 102.2100 9.2900 87/01/99 103.3600 7.9800 05/18/99 105.2300 11,4000

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04/15/16 87.7801 8.3000
05/25/88 100.6059 5.5600
12/31/9 83.7744 7.4600
05/15/16 111.7500 10.1800
05/15/16 111.7500 10.1800
11/27/01 80.1984 11.5300

07/16/06 100,0000 06/04/01 100,3785 03/31/23 82,2200 07/28/11 70,2813

French Franc

201 France OAT 235 France BTAN 249 France BTAN

Italian Lira

Japanese Yen

Polish Zloty

Swedish Krona

160 World Bank

U.S. Dollar

121 Argentina 124 Brazil 133 Brazil L FRN 134 Italy 138 Mexico A

138 MEUCO A 144 Depfq FRN 147 ADB 150 CADES 151 Mexico 153 Russia

154 Medico 156 Ecuador FRN 158 Argentina FRN 159 Medico 164 World Bank 167 Spain 169 Brazil FRN 171 World Bank 173 Venezyelo par 175 Venezyelo par

79 Core 1998 FRN 81 EIB

around the world slow, the soaring consumer confidence that helped fuel the an 11th straight meeting when they gatheight-year U.S. economic expansion is bound to return to earth. The University of Michigan's index of

ingredient that bond bulls say will push

interest rates lower. As economies

ing to people with access to the study. The index is based on 100, set in 1996. Concern about slower growth and wan-

stock market. If the stock swoon worsens, consumer spending may drop. The linchpin may be the equity market," said Mr. Jallits of Strategic Fixed-

Income. "We got a taste of that in the past couple weeks. Strong underlying consumer demand

analysts said. The consumer price index rose 1.7

By Jonathan Fuerbringer

New York Times Service

year carlier. Most forecasters expect Fed policy-

makers to keep interest rates steady for er on Tuesday. The Fed last changed the target for overnight lending between banks, known as the federal funds rate, consumer sentiment fell to 104.5 points in in March 1997, increasing it by a quarter mid-August from 105.2 in July, accord- of a percentage point, to 5.5 percent. The Fed has not left rates steady for this long since before it turned to the federal funds rate as its main tool for monetary policy ing corporate profits is also shaking up the after the stock market crash of 1987.

Not all investors are convinced that the rush into Treasuries is a harbinger of

even lower interest rates. "The knee-jerk response is to go to safety," said Tom Seay, who manages about \$400 million at Gradison-McDonald Asset Management in Cincinnati. Once that flight slows, the strength of the and a robust employment market are Once that flight slows, the strength of the keeping the Federal Reserve Board from economy and concern about faster inlowering rates, even though there are flation may drive interest rates higher, he few signs of inflation on the horizon, said.

The economy slowed to a 1.4 percent annual growth rate in the second quarter market will see a massive rally. percent in the 12 months through June, from a 5.5 percent first-quarter pace,

The rush to Treasuries is not the only below the subdued 2.3 percent pace a reflecting weak demand for goods from Asia and a buildup in business inventories. Yet consumer demand, as measured by a 3.9 percent jump in final sales. remained robust.

Most financial market indicators suggest there is little expectation for a federal funds rate change anytime soon. The three-month Eurodollar futures contract expiring in December recently yielded. 5.62 percent, not far from the 5.69 percent rate on three-month borrowing; That is a sign that investors do not expec rates to be much different when the contract expires in mid-December.

But one indicator suggests that investors think the Fed's next move will be a rate cut. Six-month bill yields have been below the federal funds rate since December 1997. In the past, bills have yielded less than the fed funds rate when the central bank was cutting rates or was

expected to cut them.

"The market is saying that fed funds are going lower," Mr. Kotok said. "The minute the Fed starts to ease, the bond

(Bloomberg, Market News)

Most Active International Bonds

Austrian Schilling

The 250 most active international bonds traded

01/15/08 101.9000 4.9100 07/15/27 113.6500 5.5000 Belgian Franc

zero 10/29/98 99.1774 3.5700 **British Pound**

e Mae 64/ 06/07/02 100.8750 6.8200 gfon Fin 2ero 12/07/02 121.7500 6.4600 61/2 100.8750 8.213 01/07/03 102.5000 6.34600 gfon FRN 8.213 01/07/03 102.50097 8.5500 e Fin 2ero 07/10/03 58.9603 11.2900 e Fin 2ero 07/10/03 58.9603 11.2900 161 Annington F 187 Britain 189 Annington F 232 Thame Fin 239 BAA 241 Thame Fin

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01/15/99 98.5175 01/05/99 98.5175 01/05/05 115,8725 10/14/05 111,8600 11/20/01 101,8567 07/04/27 21,4433 07/04/27 110,7114

Asia-Pacific

This Week Mining Uranium Conference Speak-

MGM Grand Hotel.

Darwin, Australia: Exploring and

ager of operations of Energy Re-

sources of Australia Ltd. and Andre

Stritar, vice president, European Nu-

clear Society. Thursday and Friday.

Singapore: SG Securities (Singapore) Pte. holds press briefing on

the Asian economic crisis. 11 A.M.

retail sales in the second quarter.

Wellington: Government reports on

Bangkok: Beginning of subscription

period for Charoong Thai Wire &

Hong Kong: Government releases

unemployment data for May to July.

Tokyo: The Bank of Japan releases

Sydney: Reserve Bank of Australia

Tokyo: Japan Iron and Steel Fed-

Bangkok: Beginning of subscription

Wellington: Reserve Bank of New

Zealand releases quarterly mone-

period for Prudential TS Life As-

surance Pci's new shares.

tary policy statement.

releases the quarterly economic out-

figures on money supply for July.

Cable Pd's new shares.

duction for July.

ers include Ken Lonie, general man-

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2015 Frunkfurf Hypo 210 Depfo 214 Depfo 215 Treuhand 215 Treuhand 219 Sweden FRN 228 Germany SC 229 Germany 237 KFW 238 Bundespost 240 Germany 245 Canada 250 Treuhand

Dutch Guilder

22 France 76 France BTAN 79 France BTAN 100 Sweden 112 Finland 114 thely 115 France OAT 120 France BTAN 131 France OAT 146 E18 185 Spoin

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Madrid: Finance Ministry is expect-

Budapest: Hungarian Statistical Of-fice releases June final industrial out-

Prague: Czech Statistical Office re-

Warsaw: Government auctions trea-

leases June retail trade figures.

London: Office of National Statis-

tics releases July retail price index.

Nuremberg, Germany: Bernhard

Jagoda, president of Federal Labor Office, holds press conference to

release the half-year employment re-

London: The Office of National

Statistics releases July retail sales.

Warsaw: Government auctions 300

year bonds. Poland's monetary pol-

Budapest: Debt Management Agen-

cy auctions 18 billion forints (\$85.3

nillion) of 12-month treasury bills.

London: Bank of England releases

provisional estimates of M-4 money

sociation releases its figures for July.

supply in July. British Bankers' As-

icy council meets.

put figures.

sury bills.

09/15/01 113.0900
02/15/01 110.7000
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05/01/06 125.3000
11/15/00 107.8000
10/01/04 114.9000
10/15/04 114.9000
11/15/08 108.9500

The Week Ahead: World Economic Calendar, Aug. 17-21

Americas

through Friday.

Washington: Miller Freeman Inc.

hosts Software Development Confer

ence and Show Group. Speakers in-

clude James Gosling, vice president

Mexico City: Finance Ministry re-

leases June's industrial production.

Washington: Agriculture Depart-

tions for wheat, com, saybeans and

Board's policy-setting Federal Open

Market Committee meets to discuss

balance for June. Labor Department

releases July consumer price index.

Barranquilla, Colombia: Govern-

ment announces winning blds for

neneration and transmission assets

of the state-owned Caribbean utility

Corporacion Electrica de la Costa.

Washington: Commerce Depart-

ment reports July housing starts.

Ottawa: Statistics Canada releases

interest-rate policy. Commerce Department reports international trade

ment reports on 1998 crop condi-

Washington: Federal Reserve

Informix Software Inc. Monday

of Sun Microsystems Inc., and Michael Stonebraker, vice president of

low inflation and strong earnings. Lately, the drop in yields and the

NEW YORK - While stocks are tumbling, the Treasury bond market is rallying - and for some economists and mangers, that is not a positive among American investors. When you see stocks down and

The Dow Jones industrial average closed Friday at 8.425.00, just points away from a 10-percent correction from its high of 9,337.97, reached July 17. The yield on the benchmark 30-year Treasury bond, meanwhile, slipped Friday to 5.54 percent — the lowest since the government began regular sales of the securities in 1977.

For most of the last three and half venes the hond market and the stocktion, responding to the positive factors of and copper is helping to keep inflation

Warning Sign: Stocks Sag as Treasuries Surge

decline in stocks could both be traced to the turmoil in Asia and in Russia, and the uncertainty that the turnoil has fostered

bonds up, the message is there is a problem ahead for the economy," said Hugh Johnson; chief investment officer at First Albany Corp. Stocks have been hurt as the economic

drag from Asia reduced corporate earn- in Los Angeles. ings. Now each company that warns of lower earnings, as Ciena Corp. did on Friday, has a bigger impact.

Asia is slowing growth in America forecast for the second half of the year and around the world. The drop in de-

low. And millions of investors are selling stocks and looking for a haven for their money. All these trends are helping bonds and are likely to push long-term rates even lower in the months ahead? several analysis said.

"The predominant underlying fundamentals of a slowing world economy and lower inflation are the real drivers that are going to be here next month and the month after that," said Dans Lokoszka of Wells Capital Management

Robert DiClemente, the chief economist for America at Salomon Smiths Barney, said he was reducing his growth

Floating-Rate Issue Scores Global Hit

But GMAC Paper Features a Controversial Method of Naming Buyers

By Carl Gewirtz tional Herald Tribune

struments and unwilling to lock up money in long-term investments when rates are at record lows, an obvious

alternative is floating-rate paper. And so it was that General Motors Acceptance Corp. last week made a global offering of five-year notes with interest reset every three months over the London interbank offered rate.

Rates on dollar-denominated instruments below 10 years' maturity are now below the 5.5 percent set by the Federal Reserve Board on overnight money, so the floating-rate feature was bound to find an audience. And it did: The GMAC issue, priced to yield investors 16 basis points over the threemonth London interbank offered rate. was well received with 40 percent sold in the United States, 40 percent in Europe and 20 percent in Asia.

But the notes were also the first such issue to incorporate the controversial U.S. method of syndication that the leading U.S. underwriters have already begun introducing in the fixed-rate sector of the international capital market And that method of syndication remains highly controversial in a market

feature. For critics, this anonymity is new issues in today's market too often used to screen unprofessional in the GMAC issue, lead m lead managers

The GMAC issue offered all underwriters a choice. Co-managers were assured of getting \$100 million of the \$1 billion worth of bonds up for sale. At the same time, an additional "pot" of \$150 million worth of bonds was offered to co-managers on condition they identified their clients.

This so-called name-givenp, a stan-dard feature in the U.S. market, is fiercely resisted by European banks who see the procedure as nothing more than a ploy by predatory Americans to pry out valued client lists.

Proponents argue that the system provides "transparency," which pre-vents new issues from being dumped by banks who have no placing power but nevertheless try to pocket underwriting commissions.

The Europeans retort that such transparency is not necessary as long as the new issue is correctly priced and therefore easily placed. Obviously, in a highly competitive market, arriving at a level that all participants agree re-flects correct pricing is a difficult ex-ercise and is complicated by the hidden

where anonymity still remains a prized pricing on the swaps that drive most

In the GMAC issue, lead managers PARIS — For bond investors facing behavior by underwriters — dumping HSBC Markets and Lehman Brothers therest-rate sticker shock on dollar inthe pot by raising its size to \$220 million in all, the co-managers were given \$320 million of paper, about one-third of the total issue or nearly double the amount co-managers usu-

ally get.

Meanwhile, on the foreign exchange market, the dollar found sudden new support versus the Deutsche mark. closing the week at 1.8016 DM - its best level in over a month. The dollar's recovery was helped by a sell-off of the mark versus the yen that was sparked by fears that a devaluation in Russia

ight damage Germany. However, analysts insisted such fears were grossly exaggerated and that German banks are not hostage to developments in either Russia or Eastern'

The dollar was volatile against the yea, swinging on rumors that officials were about to mount another round of intervention to stop the yen from weakening. The dollar ended the week at 146.31 yen and analysts concur that it is only a matter of time and dimin-ishing fears of intervention until the

1.113

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New International Bond Issues

Compiled by Laurence Desvilettes

Floating Rate Notes Over 3-month Libor. Callable at parts 2003. Fees 0.20%. (Berclays Capital Group.) Over 3-month Libor, Noncollable, Fees 0.225%, (HSBC Holdings.) Svenska Handelsbanker Below 3-month Liber. Noncolloble. Fees 0.05%. (Metrill Lynch Infl.) 2002 Boor 100.35 est will be the 3-month Libor, Noncollable, Fees not disclosed. (Merrill Lynch latt.) Fixed-Coupons 5% 101.488 99.50 Reoffered of 99.888, Honositable, Fees 1966, (Portions.) European Investment Bank 5% 107.2318 99.50 Reoffered at 99.6068. Noncollable, Fees not disclosed. (Bayerische Ve Noncollebie. Fees 0.425%. (Mentil Lynch init.) Calsse d'Amortise 2008 454 99_522 99,45 Nonco ie. Fees (1725%. (Margan Sionley Doon Willer.) 2015 574 101.825 100.10

Last Week's Markets

HTK\$1,000 2000 11.30 100.30

15.722.92 75.829.17 1,994.91 4041.88 -- 1.16 Euromarts Eurobond Yields

Noncatable private placement. Fees 0.10%. (HSBC Markets.

\$ 5.7

Friday Aug. 21

Thursday

Aug. 20

Sydney: American Chamber of Commerce in Australia hosts a business briefing. Speakers include Bob Carr, premier of New South Wales. Noon. Sheraton On The Park. Wellington: Government reports on tourism and migration in July.

eration releases figures on steel pro-million zloty (\$86 million) in three-

Copenhagen: KFX index futures expire between 11 A.M. and noon.

four finalists for the auction of the Camino Real hotel chain. litical and aconomic outlook for

Mexico City: Government chooses

June retail sales figures. San Jose, California: Commonwealth Club sponsors Silicon Valley Forum. Speaker is Rich Karlgaard, publisher of Forbes magazine. Capitol Club Athletics.

Inti Finance Corp.

New South Wales Treasury

New York: Council of the Americas hosts a panel discussion on the po-

SHORT COVER

GM Expected to Post

DETROIT (Bloomberg) - General

Motors Corp. said two United Auto

Workers strikes that crippled its North American car and truck production cut third-quarter results by \$1.65 billion, an

amount that analysts said will lead to a

diluted share, a year earlier. GM re-ported the impact of the Flint, Michigan,

strikes in a Securities and Exchange Commission filing. The eight-week walkouts, which ended July 28, canceled output of 318,000 vehicles, re-

ducing results by \$1.3 billion in GM's

North American auto business and \$350

GM would not comment on predic-

KUWAIT (Bloomberg) - Kuwait

Kuwait Clears Merger

Of State Oil Concerns

million at its Delphi parts unit.

GM earned \$1.07 billion, or \$1.35 a

Loss for 3d Quarter

Ronald Baron

Assets: \$5,25 billion

Fund Managers Snap Up Battered Shares

By Noelle Knox **New York Times Service**

Market Govern

EW YORK - The bungeelike gyrations in the stock market the last two weeks may have scared away the faint of heart. P it for money managers who are paid to stomach such swings, a plunge is simply a chance to pick up shares of solid companies on the cheap.

Listening to the reasons given by three top money-managers for their bear-market stock picks, one gets the sense that it does not take courage so much as conviction to buy a plunging stock. All these managers strongly berieve in a turnaround, a takeover bid of a mathematical formula.

Promus: Turnaround Play

Promus Hotel Corp. escaped much of the sell-off on Aug. 4, but after the market closed, the company announced that its chief executive, president and directors would resign. The shake-up was a result of the clashing corporate cultures of Promus and Doubletree,

which merged last December. The company, which owns and fran-chises 1,200 hotels in North America under the Doubletree, Embassy Suites and Hampton Inn banners, among others, was also sucked down by market fears that the hotel industry had hit a cyclical peak.

Promus, which had lost just 75 cents on Aug. 4, fell 22 percent on Aug. 5, to an intraday low of \$26.50.

Christian Felipe, who heads the MFS Massachusetts Investors Growth fund, did not hesitate as he reached for a buy ticket. While he declined to say how many Promus shares he has bought, the company, based in Memphis, now ranks among the fund's top 15 holdings.

"This stock is a takeover candidate, he declared, adding that he expected the Bass brothers, Marriott International, Hilton Hotels or a similar hotel company to bid more than \$50 a share for

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A PROPERTY AND

Mr. Felipe has been the portfolio man-ager of Massachusetts Investors Growth fund since 1995. The fund, with \$3.56 billion in assets, invests in big companies

with steady growth potential. This year, through Aug. 12, the fund's A shares returned 18.7 percent, compared with 16,2 percent for the average

arge-capitalization growth fund, according to Morningstar Inc. of Chicago. Even without a takeover offer, Promos still fits in Mr. Felipe's portfolio because of what he called its "very valuable

brand franchise." He said he expected the company to earn \$2.10 a share this year and \$2.65

next year.
While the industry may be saturated at the low end, he said there was still room to grow in the mid-price segment where Promus operates.

Libbey: Takeover Candidate

and tableware. The company has had a bad year. Its stock declined gradually, but steadily, from a high of \$41 last

now trades at \$31.125. But Ronald Baron, 55, manager of the Baron Asset fund, did not care. He has

December to close at \$32 on Tuesday, it

INVESTING

owned Libbey stock for a couple of years, and on Tuesday he bought 30,000 shares for an average price of \$31.41. He now has \$78 million, or 1.5 percent, of the fund's assets invested in the company, which is based in Toledo, Ohio, making Libbey the fund's 18th-larges

holding.
Mr. Baron is a long-term, out-of-thebox thinker, and his portfolio shows it. Beron Asset has half of its money in about a dozen small-capitalization stocks, including Sotheby's and Ralph Lauren, and the fund has a low turnover rate of 12 percent.

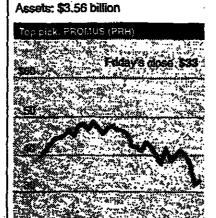
Mr. Baron likes Libbey because it is shielded from new competition by the high costs of furnaces and glass molds. Ninety percent of Libbey's orders come from restaurants' replacement of inventory. "It's a good, stable, modestly growing business," he said. "Their costs are stable and now they have production outside the country" in Mexico, which should help cut costs.

"Wall Street thinks they can make between \$2.50 and \$2.60 this year. I

Christian A. Felipe

Investors Growth

MFS Massachusetts



Source: Bloomberg Financial Market

think they can make \$2.80," referring to per-share carnings.

Hilfiger: All in the Numbers

Tommy Hilliger Corp., the designer who turned sweatshirts into a fashion statement, saw his company's stock tumble almost 30 percent from a high of \$70.375 on June 3. When it fell below \$50 on July 27, Jeff Tyler's computer screens were aglow.

The way Mr. Tyler, 40, figures it, the company's stock was "guilty by association" with those of weaker garment makers like Liz Claiborne warned investors that its second-half results

might be ugly. Tommy Hilfiger "was a stock that

had been attractive, but with the way the market was being abused, Tommy became a lot more attractive," Mr. Tyler explained. "We picked up on it and increased our position.'

Friday's dose \$31.125

As co-manager of American Century Income & Growth, with \$3,36 billion in assets, Mr. Tyler uses three complex formulas to pick stocks.

The first looks at a company's priceto-earnings and price-to-cash-flow ratios, as well as stock price and earnings momentum - the pace and direction of changes in those numbers.

A company is scored on a scale of 0 to 100, with higher scores being better. Hilfiger boasted a score of 95, versus 48 for the average company in the Standard & Poor's 500-stock index.

Then Mr. Tyler uses a second model to look at the changes in analysts' earnings estimates and the likelihood of an earnings surprise. Hilfiger scored 94, compared with 47 for the average com-

Jeff Tyler

American Century

Income and Growth

Assets: \$3,36 billion

pure-valuation model that pegs a stock as cheap or pricey based on, among other things, its price-to-cash flow ratio

Hilfiger scored a minus 13, making it a fair bit more expensive than the average

said it approved a merger between the country's two major state-owned oil pany in the S&P 500. Finally, he uses a third, so-called

oil ministry. in relation to the overall market. It ranks a stock on a scale of plus 20 to Consumer Prices Fall

minus 20, with high-scoring companies being cheaper and, hence, better buys. company in the S&P 500, which nets a minus 6. But Hilfiger's score on the two

Kuwait's Supreme Petroleum Council last week approved the merger of Kuwait Oil Co. and Kuwait National Petroleum Co., said a spokesman for the

By 3%, Malaysia Says KUALA LUMPUR (Bloomberg) -Malaysia's consumer prices fell 0.3 percent in July from a month earlier, its first

decline in 13 months, the official news agency Bernama reported, citing the Department of Statistics. În June, consumer prices rose 0.7 percent from a month ago. No reason

was given for the changes. Elf Aquitaine in Talks

To Purchase Conoco? PARIS (Bloomberg) — Elf Aquitaine is in talks to buy Conoco Inc. from Du Pont Co. for about £15 billion (\$24 billion) in what would be the latest consolidation move in the oil industry, a

British newspaper reported Sunday. France's largest oil company is one of several companies that have looked at Conoco, the oil subsidiary of Du Pont, one of the world's biggest chemical companies, The Mail on Sunday said. It

did not name other possible bidders. Neither Elf nor Du Pont would comment on the report.

Nomura Said to Offer £1.5 Billion for Thistle

LONDON (Reuters) - The Japanese finance group Nomura is poised to buy the British hotel group Thistle Hotels PLC for up to £1.5 billion, The Sunday

Telegraph reported. The report, which did not cite sources, said Nomura had been chosen from a short list of five potential buyers, and was believed to have held talks with Bankers Trust about the offer. Thistle is

other measures made up for that. Olivetti, Given Up for Dead, Is Europe's Hot Stock

MILAN - When Olivetti SpA invited fund managers last year to come hear how the Italian computer company planned to stanch the billions of dollars in losses it suffered since 1991, few

investors bothered to show up. "It wasn't really a stock we took seriously and thought worth having," said one of those who shunned the meeting, Paolo Bartalucci, who helps manage 270 billion lire (\$151.8 million) in Italian shares at Grifogest, a Florence-

based fund manager. Everyone takes Olivetti seriously

The company, having shed much of its hardware business and re-emerged as the biggest cellular and fixed-line rival to Telecom Italia SpA, has seen its stock rise six-fold to 3,906 lire in the last 12 months. In that period, it has been the

best-performing stock in the Italian benchmark Mibtel index "No one expected this to happen," said Mr. Baitafucci, whose fund began buying Olivetti in January, at 1,000 lire a share. 'Olivetti is a completely dif-ferent company today. In its old line of business, if you're not the world leader you're in trouble. Now, in telecoms, it

enjoys a protected franchise.' Omnitel Pronto Italia SpA, one of Italy's two mobile-phone companies, is

lysts and investors say. Olivetti owns a controlling 30 percent stake in Omnitel through Oliman, a joint venture with its

German partner, Mannesmann AG. In the two and a half years since it was formed, Omnitel has won a quarter of the Italian market from Telecom Italia Mobile SpA and, with 4 million users, become the fourth-largest European celhılar phone company. Omnitel made a profit a year ahead of target, earning 234

billion lire in the first half of 1998. This growth may slow as more competition in Italy's cellular telephone market emerges this year, analysts warn. Delays in awarding a third mobile-phone license preserved a TIM-Omnitel duopoly for more than a year longer than planned, letting the companies postpone an anticipated price war.

Wind SpA, a venture of the state electric utility, Enel SpA, and France Telecom SA and Deutsche Telekom AG, won the third license in June.

Wind said it plans to begin selling mobile-phone services by the end of this

Infostrada SpA, Olivetti's fixed-line telephone unit, will follow Omnitel as the Italian telecommunications industry's next success story, some ana-

Analysts estimate that Infostrada is worth between 2 trillion and 4 trillion Libbey, the maker of restaurant glasses the engine of Olivetti's share rise, ana- lire — as much as three times Olivetti's the then-chairman and largest share- italization makes it relatively affordable. pany

entire market capitalization last Au-

With 4,000 business clients, Infostrada has already become Telecom Italia's largest competitor since the formerly state-run company lost its monopoly on conventional fixed-line phone calls in January under a European Union directive to open the industry to competition. Telecom Italia also controls TIM.

Infostrada, which is building a highspeed cable network atop the communications grid of the state railway, Ferrovie dello Stato SpA, forecasts that sales will rise to 1 trillion lire in 2000 from 120 billion lire in 1997 and that it will turn a profit in 2002.

"Omnitel and Infostrada are all that investors care about in Olivetti," said Jonathan Shantry of Credit Lyonnais in

This was not the case in the early 1990s, when Olivetti — based in Ivrea, a town in the Alps north of Turin that still calls itself "Informatics City" was known to the world as a maker of personal computers and networking

After Chief Executive Roberto Colaninno took over in 1996, the PC division was the first to go, as the company's cumulative losses since 1991 reached

holder, Carlo De Benedetti.

After the PC unit, renamed Olivetti Computers Worldwide, was bought by a group of investors headed by the London-based financier Edward Gottesman, Mr. Colaninno put on the block the company's Olsy computer-services division. Wang Laboratories Inc. bought that unit in March for 700 billion lire in cash and stock.

Olivetti's only remaining hardware businesses are Lexikon, a maker of copiers, typewriters and cash registers that set up an alliance with Xerox Corp., and Tecnost SpA, a separately traded services-automation company.

Not all the assets Olivetti sold were seen as deadweight by investors. Olivetti agreed in September to sell as much as 49.9 percent of its telecommunications unit to Mannesmann for up to 2.34

trillion lire. Mannesmann has already taken up 25 percent of Oliman, and is seeking to buy the rest of that 49.9 percent before a March 2000 target date, becoming Omnitel's largest - but not controlling

Olivetti's share gains, which make Mannesmann's purchase of the Oliman stake seem a bargain, also were caused by the Italian company's image as an easy takeover target, analysts said, adding that Olivetti's 10.9 trillion-lire market can-

THE BEST OF FRIENDS

By Joanna Trollope. 293 pages.

\$23.95. Viking.

Reviewed by Brigitte Weeks DESPITE the longevity of Master-piece Theatre, chroniclers of the ways of the British middle classes have a surprisingly difficult time scoring hits in the U.S. market. Joanna Trollope hasn't made her mark here yet. And that is a shame. Love, marriage, children and relationships are universal themes, and Joanna is as poised and intricate a portraitist as her famous novelist ancestor,

Anthony Trollope. "The Best of Priends" is the story of two marriages, many friendships and four teenagers — volatile ingredients.
The two couples, Gina and Fergus Bedford, Hilary and Laurence Wood, live in the same mid-size English town and Thave known each other forever.

have known each other forever. Sophy, the Bedford's only child, is good friends with George, Adam, and Gus, the three Wood sons.

Without warning, Fergus leaves Gina and declares their marriage over. She turns to her childhood friend Laurence for help. Suddenly one separation seems to be turning into two. The domestic tale takes on almost Shakespearean dimensions. "All my novels focus on what making a choice really means," says Trollope. "I think sacrifice through choice is something that happens to almost everybody." And these families

are making choices that go to the core of their beings, while their daily lives move on in a familiar pattern and boys, as they have always done, leave their

BOOKS

rooms in chaos. It is this intense focus on raw emotional issues in everyday lives that lies at the heart of Joanna Trollope's work and sets it apart from cozy village green tales. With the tools of soap opera she builds a stark edifice. How do vulnerable adolescents deal with their parents' conflicts and unhappiness? What makes a successful, middle-aged antique dealer walk out on his wife, who has seen no clouds in their domestic sky? How does a talented chef and owner of a small family hotel make choices with profound implications for two families,

eight lives? For Hilary and Laurence, while their marriage and family are crumbling around them, there is still the hotel and an unexpected bus load of elderly travelers to be fed and housed, still three boys to clean up for a family friend's

Over at Gina Bedford's house, there are only the half-empty rooms, bereft of Fergus's antiques, and the sorrowing, abandoned wife with her confused and angry daughter. "Fergus was not a safe man, not a safe father, not like Laurence," Sophy realizes wistfully as she slips away undetected to visit him in London. Her father and her agentined feeling of abouter and her agonized feeling of abandon-ment come together when she finally

confronts Fergus: "You dumped me," she storms. "All those years you took photographs of me and got my breakfast and read to me and paid me my pocket money and made me believe I could rely on you and then you just dumped

Down the street the Wood boys are ontraged and heartbroken as their comfortable world begins to crack. Sophy's mother, a family friend, has become a predator. Adam yells at his own mother, Why don't you go and see her? Why don't you go and say she can't just help herself to Dad like this?"

The gardens of Whittingbourne continue to be weeded, the teenage girls still go to school in black micro-skirts and long battered T-shirts, and Hilary Wood stocks the hotel kitchen from the Cash and Carry store. But no character in this novel, including the poignant Vi Sitchell, Gina's eccentric but lovable mother, remains untouched or unchanged by these months of turmoil. But, like everyone, they have to find a way of coping, of making the best repairs they can and

Trollope has a new U.S. publisher for "The Best of Friends," so perhaps her thoughtful, seamless tales about ordinary people dealing with mundane yet searing problems will begin to reach more readers. She deserves them.

Brigitte Weeks, editor in chief of Guidepost Books, wrote this for The

CRISIS: Mixed Views on the Results of Asia's Economic Churn

lighted the enormous impact against the ethnic Chinese in

taking some of the crackle out gion's engine for growth.

Kong. Mr. Mobius, whose flagship mutual fund, the \$465.6 million Templeton Emerging Markets Fund, has performed in the top third of past 10 years, is also impressed with the financial reforms already undertaken. "Take Thailand," he said. "It has closed 50 finance

companies. A lot of things are taking place." But others argue that despite these changes, Asia's glory days are over. "The growth we saw in the 1990s was not real. It was fed by massive investment capital from overseas," said William Kaye, senior managing director of the Pacific Alliance Group, which manages about \$100 million in private funds for wealthy clients. Mr. Kaye

tiring from PaineWebber Inc.'s board at age 36.

Mr. Kaye said the Asian model of forced savings and funds in its category for the government-directed investment contributed to an overinvestment in unproductive projects. "In addition, 40 percent of East Asian trade' is with other Asian countries, which are not importing much of anything. Economic growth in the one bright spot for exports - the United States — appears to be slow-ing. "We're really in a ter-rible mess here," said Mr. Kaye, who predicted that it

would take Asia five years to recover.
Regardless of who turns out to be correct, the Asian economic crisis has high- sparked renewed violence

of a market that many ob-

servers had feared was dan-

gerously overpriced.
"The Asian crisis is doing

the Fed's job - creating a

soft landing for the U.S. econ-

omy, winding down activity

before inflation becomes a

problem and without increas-

ing interest rates," observes

Charles Wyplosz, an expert

on international finance who

teaches at the Graduate In-

stitute of International Stud-

Raising interest rates, the

ies in Geneva.

compared small, open economies to "rowboats on a wild layoffs. and open sea." He said: "Aleventually being broadsided inevitable, even on a relative- challenge authority.

iy calm day. ruptcies. poverty, crime and suicides are soaring. The crisis has

Meanwhile, analysts insist, the turmoil in the emerging

markets is likely to have little

direct impact on the rest of the

world. For example, the

threat from Russia, experts

agree, is not financial but political: Who takes over if

Boris Yeltsin and his govern-

Continued from Page 11 moved to Hong Kong eight that globalization has on the years ago to start an Asia in- economies, politics and social strife, including potentially vestment company after re- systems of smaller countries. worsening confrontations be-In a speech in Manila this tween unions and Hyundai spring, Joseph Stiglitz, chief Motor Co. over the South economist of the World Bank, Korean automaker's announcement of widespread

The crisis also has sparked though we may not be able to substantial turbulence of a predict when the boat will be different kind. In a region capsized, the chances of where leaders in the past discouraged opposition by toutby a large wave are signif-icant, no matter how well the that Confucian cultures preboat is steered. Though to be ferred chains of command, sure, bad steering probably the abrupt reversal of ecoincreases the chances of a dis-nomic fortunes has sparked aster and a leaky boat makes it the once-silent masses to

Indonesians threw out Throughout Asia, bank- President Subarto, their long-apticles, unemployment, time ruler. The economic apheaval helped sweep in new governments in South Korea, Thailand and Japan, all of which promised economic and political reforms. Japanese cheered as prosecutors arrested bureaucrats at the powerful Finance Ministry, and South Koreans applauded efforts by President Kim Dae Jung to reduce the grip of family-run conglomerates, or

South Korean economy. Thailand adopted a new re formist constitution aimed at reducing the corruption in politics that was seen as one cause of its economic prob-

"In a sense, the past year is a turning point," said Iwao anese author and economics professor. "The question is how far these Asian countries can reform their systems and their social structures so that they can meet the demands of a global market economy.

BRIDGE

By Alan Truscott

AFTER a night of drama and confusion, the defending champions squeezed into the final of the Spingold Knockout Team Championship in Chicago early this month, by the narrowest pos-

sible margin. A team led by Grant Baze of La Jolla, California, was locked in a close battle with a team led by Richard Schwartz of Queens, New York, that seemed headed for victory, eading by 13 imps with one

Then the Baze team collected an 800 penalty and 12 imps, losing, it seemed, by just I imp. But after frantic score checking, Baze and his Riverdale, the Bronx. teammates had won by 1 imp

Simon and Linda Lewis, both of Las Vegas, Nevada; Marand Karen Barrett of Vancouver, Washington, trailed took full advantage. She won early but had a two-imp lead with the ace, drew trumps and going into the final quarter. led a spade. West had to win, They held on to win by 19 and was helpless. Any return against Kathie Wei-Sender of would permit South to avoid a Nashville; Juanita Chambers chib loser. of Schenectady, New York; Stasha Cohen of Glen Ridge,

and advanced to the final.

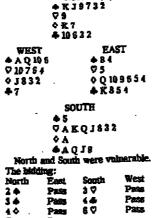
New Jersey: Pam Wittes of Los Alamitos, California, Ir-Jersey, and Jill Levin of The last quarter, which las replay.

ted well past midnight, was The Women's Knockout very well played Both North-Team final on Friday was a South pairs hoped to gain on fierce battle between two the diagramed deal. In one with any normal defense. well-matched teams. Kitty room, as shown, six hearts was Munson of Jersey City; Carol reached after Simon as North opened two spades. Munson made a forcing response of gie Gwozdzinsky and Susan three hearts and eventually bid Wexler, both of Manhattan, six hearts. The opening lead was a diamond, and South

The players noted that an unlikely lead of the spade ace followed by a diamond shift would have defeated the slam ina Levitina of Teaneck, New by depriving South of her exit card. The contract and the result were duplicated in the

Note that the players did well to avoid six clubs, which would have been hopeless

NORTH (D)



RATES: Crisis in Asia Brings Benefits to Others Continued from Page 11

The fact that it is fear that is driving these interest-rate de-clines — money fleeing risk

of any kind, from equity mar-kets, from high-risk credit markets and from the uncertainty of emerging markets can give a false reading, warns John Llewellyn at Leh-man Brothers. "Inflows driven by fears can just as easily become outflows once those fears subside," he says. In the meantime, he adds,

the inflows, by driving down interest rates and potentially spurring domestic activity, are a welcome offset to the declines in exports to all emerging markets. Even the oil producers, hit by the decline in the price of oil to an is relatively less painful as it eight-year low, have been affects only the relatively cutting imports.

While reduced global de- posed to international trade. mand is driving down the Although Continental price of oil, the falling oil Europe does not share the price is another bonanza for U.S. need to slow growth to a the major countries in keep-more comfortable cruising ing inflation tamed.

standard tool to slow an economy, sends waves through all the interest-sensitive sectors of the economy, while a slowdown in exports and a rise in imports, Mr. Wyplosz notes small part of the economy ex-

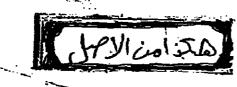
speed, analysts expect the de-And even the decline in cline in interest rates to help U.S. stock prices, now some spur Continental domestic 9.75 percent below their late-demand, which is expected to July peak, is welcome news, replace exports as the re-

ment are unseated? And while the direct impact from the turnoil in other emerging markets appears to Nakatani, a prominent Japbe even less threatening, analysts do worry about reaching a point where the unbroken run of bad news finally begins to affect global sentiment, turning confident consumers into cautious savers.

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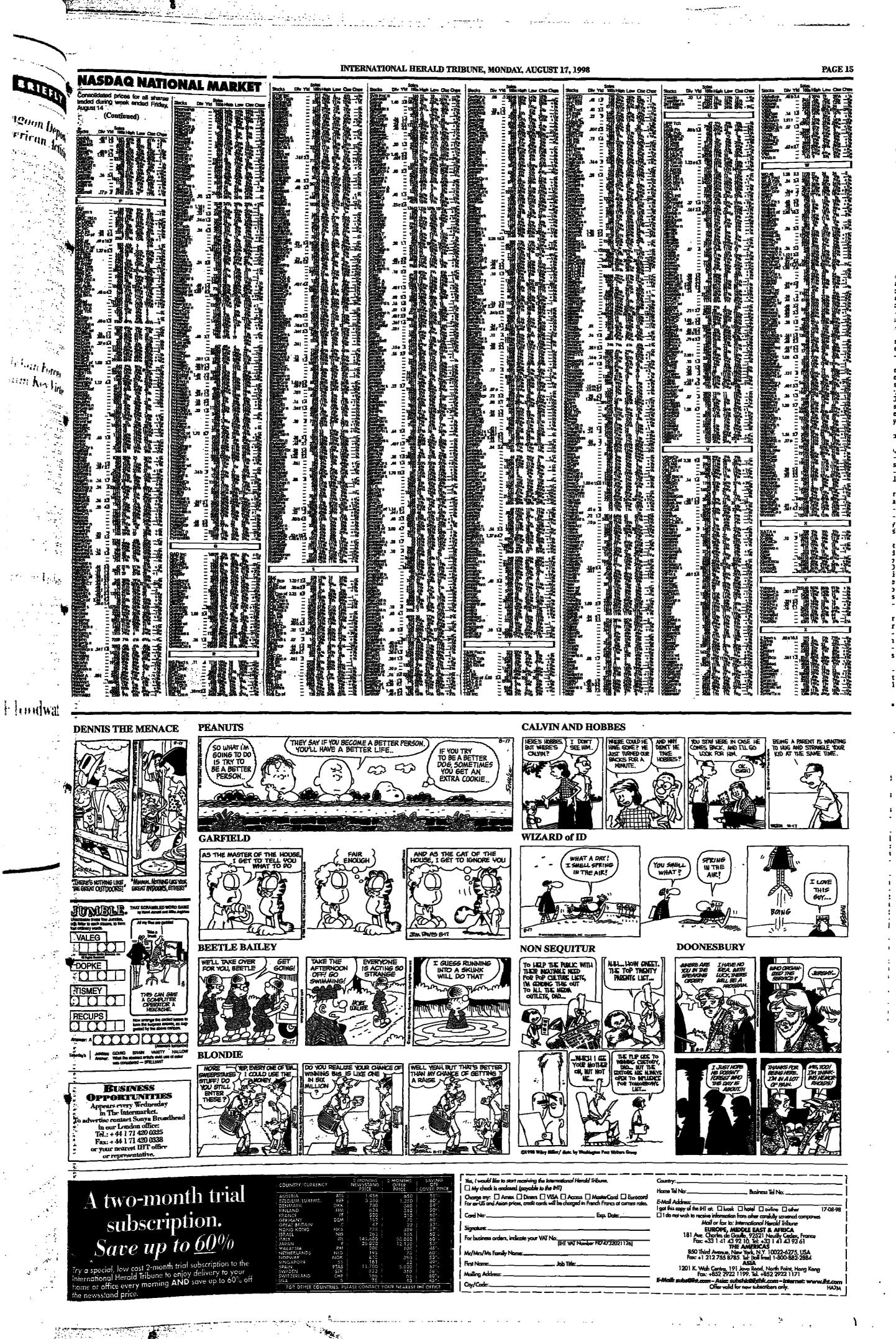
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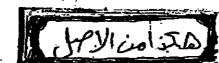
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Michael Owen of Liverpool, second from right, scoring Sunday against Sonthampton. Liverpool triumphed, 2-1.

DC United Plays for More Than Just a Title

WASHINGTON - When DC United faced Toluca of Mexico on Sunday night in the final of Concacaf Champions' Cup title at RFK Stadium in Washington, there was plenty at

Victory in the tournament for clubs from the Caribbean and North and Central America would give United a place in a significant two-game series against a South American power and a possible berth in a proposed world

playing for more. It also is representing Major League Soccer, a three-year-old league with its share of growing pains, and American soccer, which still does not command much global admiration

When we step on the field as DC United players, we know we represent the MLS and we know we represent the quality of the league and what people think about our league," defender Edshow, 'Hey, MLS teams are on the

But in a broader sense, United was right track.' We're getting there. We're playing well against these established teams and we're beating these teams as

> United reached the final by beating Leon of Mexico, 2-0, Friday. Roy Lassiter scored twice to take his tally to six goals in two cup matches. Scott Garlick, DC United's American goalie, made two brilliant saves in the late

Toluca advanced on penalty kicks die Pope said. "We have been able to after playing a 1-1 tie with Saprissa of

Owen Swoops to Lift Liverpool Goal by England's World Cup Star Dashes Hopes of Southampton

Compiled by Our Staff Prom Disposche

Michael Owen poached a 72d-minute goal Sunday to give Liverpool a 2-1 victory at Southampton on the opening weekend of the English Premier League season.

Owen, 18, who scored twice for England in the World Cup, pounced after Paul Jones, the Southampton goalkeep-er, spilled the ball in front of the goal. Liverpool had started the game pur-

posefully and Paul Ince, Jason McAteer and Owen all went close in the first three minutes. But in the 36th minute Egil Ostenstad headed past Brad Friedel Liverpool's American goalie, to give

The lead lasted barely two minutes. Owen chipped the ball in from Liv-erpool's left flank and Karlheinz Riedle crashed a downward header past Jones for the equalizer.

In the 72d minute, Ince flicked on a long throw-in and when Jones failed to hang on to the ball Owen smacked it into the net from five yards. Southampton substitute Matt Le Tissier almost equalized two minutes from time but his shot on the turn flashed wide. On Saurday, Marcel Desailly and Frank Leboeuf found the Coventry City

attack more difficult to handle than Ronaldo and Bebeto.

The two men played in the center of the French defense in the World Cup final in July and won, 3-0. On Saturday, 34 days later, they played together for Chelsea at Coventry and lost, 2-1.

After 10 minutes, Darren Huckerby outpaced Desailly and lobbed the ball into the Chelsea goal. Six minutes later Dion Dublin headed Coventry's second

goal,
"I made mistakes today that I don't normally make," said Desailly. "When Dion Dublin headed in their second, I didn't get near him. I normally never make mistakes like that, I will have to work harder.'

Uruguayan Gustavo Poyet headed a goal for Chelsea in the 37th minute. Chelsea created several other good scor-

ing chances but all of them fell to Pierluigi Caseraghi, the Italian center forward who was making his debut, and he

could not score. In Manchester, visiting Leicester City fans boood David Beckham whenever he touched the ball. But he had the last word. Beckham is widely blamed by English fans for England's loss to Argentina in the World Cup, a match in which he received a red card. On Saturday he managed to stay on the

EUROPIAN SOCCIE ROUNDUP field for the full 90 minutes and scored

in the last of them to give United a 2-2 Leicester had taken a 2-0 lead

through Emile Heskey and Tony Cottee. Sheringham scored for United in the 79th minute and Beckham then scored with a free kick. Wimbledon led the Premier League

on Sunday night, after beating Tottenham, 3-1, on Saturday.

GERMANY Michael Preetz scored in

the 54th minute to give Hertha Berlin a 1-0 victory over visiting Werder Bre-

men on Sunday.
On Saturday, Giovane Elber scored the only goal as Bayern Munich opened its season with a 1-0 victory at VfL Wolfsburg in their opening match of the

Elber, a Brazilian, squeezed past Wolfsburg's Croatian defender Marijan Kovacevik to score the only goal of an otherwise uneventful match with a shot from inside the penalty area in the 65th minute. Elber has scored five goals in three matches

Kaiserslautern, the Meanwhile. champion, also started with an away victory, in the Bayern's home stadium. It beat TSV 1860 Munich, 2-1, in front of 60,000 in the Olympic Stadium in

Bernhard Winkler put 1860 in front with a penalty kick in the 12th minute. Olaf Marschall leveled with a header

from a cross by Brazilian midfielder

Ratinho three minutes before the break. Samir Ibrahim, an Egyptian who joined Kaiserslautern in the summer, scored the winning goal in the 62d minute.

Defender Ibrahim, who joined from

Cairo club Al Ahly, looked clumsy at times but gave Kaiserslautern the points with his long-range effort.

Bayer Leverkusen, which spent 12 millions marks (\$6.68 million) on Flamengo's Brazilian international midfielder Ze Roberto in the most expensive German transfer this summer, beat Hansa Rostock, 3-1. Defender Stefan Beinlich scored twice for Leverkusen.
Joerg Reeb, a signing from Arminia
Bielefeld, added a third in the 73rd

Schalke 04 lost, 3-0, at Borussia which had Moenchengladbach. struggled last season. Moenchengiad bach made a dream start with veteras Austrian striker Toni Polster opening the scoring after just two minutes. Swede Jorgen Pettersson made it 2-0 eight minutes later and midfielder Matthias Hagner put the issue beyond doubt

in the 80th minute. FRANCE Thierry Henry created a goal in the first minute and later scored himself as Monaco beat Sochanx, 4-1, Saturday to move to the top of the French

From the kick-off, Henry raced down the left wing to lay on a goal for Portuguese midfielder Francisco Da

Defender Bernard Maraval replied quickly for Sochaux but Victor Ikpeba completed a breathtaking opening spell by restoring Monaco's lead in the eighth

Henry said last week he wanted to leave Monaco and move to Arsenal and play in front of big English crowds. In the 50th minute he ran 40 meters to

score and then created the final goal for Ikpeba. Sylvain Wiltord scored twice as Bordeaux won, 3-2, at Le Havre. Boxdeaux trails Monaco on goals scored as does Marseille, which won, 1-0. at

For example, when we asked an

Olympic official to intervene against the

International Amateur Athletic Feder

ation, track's world governing body,

when it vindictively sought to proceed

against Mary Slaney, he responded

we are soft on drugs?"

Even if she is innocent, how can we

A similar attitude was reflected when

FINA, the international governing body

for swimming, suspended Smith for al-

legedly submitting a contaminated ur-

ine sample even though FINA does not

know how - and therefore whether -

Fight Against Drug Cheaters: IOC Needs to Find the Will to Tackle Problem

New York Times Service

EW YORK — The need for the International Olympic Committee's drug summit meeting is the Tour de France and the suspensions of the Olympians Michelle Smith-De parmes and De Mitchell. But if the primary agenda is to redefine doping, as the committee president, Juan Antonio Samaranch, has suggested, the effort will be wasted.

Samaranch has said in recent weeks that the list of banned drugs could be drastically reduced by permitting the use of performance-enhancing substances that are not a threat to an athlete's health. Such a redefinition not only would be cynical, it would be morally indefensible and reveal a lack of commitment to deal honestly and effectively with drugs. Beyond that it would not fix what is broken.

The committee will convene Thursday to set the agenda for the January meeting. If that conference is to be useful it must address the three principal sources of the current chaos.

First, the summit meeting should address why the committee and its constituent organizations lack the will to do what is necessary to stay ahead of cheaters and what is necessary in the short run to catch up. These organizations have long complained that athletes are able to frustrate their efforts by keeping one step ahead of the IOC laboratories. The Aug. 10 Time magazine cover story, "Chasing the Cheats," is only the most recent article to accept this as gospel.

Athletes undoubtedly have access to the latest designer drugs, but the committee has never devoted sufficient funds for basic drug-related or performance-related research. Nor has it systematically equipped all of its laboratories with the latest diagnostic equipment or paid for the investigations necessary to establish doping in an in-

This problem is compounded by the

24 Winggly fish

25 TV adjunct

28 Umbeatable rival

underpinning:

wife of Henry VIII

38 Life of the party

36 Time delay

37 Catherine

VANTAGE POINT/DORIANE LAMBELET COLEMAN AND JAMES E. GOLEMAN JR.

appellate procedures so that athletes are

default of drug-control authorities who obvious after a summer of drug busts at . recognize that they lack the resources necessary to challenge what they see as the rampant use of drugs. Rather than take slipshod measures to cope.

The committee and other international federations routinely add substances to the banned list about which they know nothing, based solely on rumors that athletes are taking them, hoping to enhance performance. This is the case, for example, with various over-thecounter supplements believed to convert to testosterone.

Such scientific illiteracy is appalling, particularly as the organizations subsequently base prosecutions on these mystery drugs.

The suspensions of Randy Barnes and possibly that of Dennis Mitchell may fall into this category. Anti-doping efforts must be based on science, not rumors and hunches.

Second, the meeting must address the failure of the committee to discharge its responsibility to design a fair and professional process for adjudicating dooing disputes. Authorities should punish athletes who are guilty of doping violations. At the same time, however, to assure that innocent athletes do not fall victim to an arbitrary system, they must conduct doping proceedings in a fair and timely manner.

This includes: Setting up a process that is inde-pendent of the governing organiza-

· Assuming a burden of proof that reflects the extraordinary severity of any sanction that ultimately might be

 Basing charges only on credible scientific evidence.

• Protecting the confidentiality of innocent athletes who are investigated. Standardizing the doping rules and

not simultaneously subject to the jurisdiction of multiple organizations. Several federations have independbut unless the Olympic committee mandates them, none of these protections will be guaranteed.

It is true, as the authorities repeatedly say, that it is more difficult to suspend athletes accused of doping when civil laws create conflicting rights, lawyers

aggressively defend them and judges routinely intervene. On the other hand. we must get beyond the plantation mentality that casts the world's athletes as land, or Monte Carlo. Until a fair and efficient mandatory process is established, athletes, lawyers, judges and the public will continue to question the in-

tegrity of the effort. The committee has a head start in creating such a process. Its quasi-in-

dependent Court of Arbitration for Sport is a model for a proper appellate review body. Despite its location on IOC grounds in Lansanne, Court of Arbitration rulings have reflected extraordinary independence and fairness. Its jurisdiction needs to be made mandatory.

overarching effect of the Olympic movement's all-pervasive concern about image. This concern, although understandable from a corporate perspective, creates inherent conflicts of interest that ultimately are the Achilles' heel of its doping efforts.

she contaminated the sample. A FINA official defended the decision on the

ground that it would have sent the wrong message not to suspend her. These are the inevitable and indefensible reactions of organizations that seek to raise enormous amounts of money and simultaneously keep their drugcontrol efforts in-house. The Olympic committee and its constituent organizations cannot serve both masters.

The meeting therefore should con-sider as a fundamental matter the obvious merits of spinning off its doping: control efforts to an independent entity of professionals, one that is not a step-ping stone for personal advancement in the Olympic movement.

Finally, if any of this is to be as complished, the committee must invite not only the usual institutional suspects but also outsiders who are respected and have expertise in the relevant areas of concern. This includes specialists in science and law, as well as athletes who can discuss the state of drug use in Olympic sports or their experiences with the drug-testing and hearings pro-

Without such independent voices, the IOC's latest attempt to address its drugcontrol problems will likely devolved into a public relations effort. Ultimately, however, integrity is the best protection for the image of the Olympic move-

Philosopher's Vision: The Cyborg Olympics

The Associated Press

BOSTON - Simon Eassom envisions a day in the near future when elite athletes are no longer entirely human_

Eassom, a philosophy professor at DeMontfort University in Bedford, England, has spent a lot of time thinking about it. An Olympic marksman could use a

transplanted comea for better vision and surgically altered nerves for a steadier trigger finger. Track competitors, chasing faster

times, might someday run on artificial hearts with better circulation. "The future of sports as we know it,

the future of the Olympic Games, is by no means certain," Eassom said. "Given another 100 years, I'm not even sure we'll be having things like the Olympics."

Eassom's work in the obscure field of athletics and philosophy is on dis-play this week at the 1998 World Congress of Philosophy in Boston, billed as the world's largest gathering of philosophers in history. The conference meets every five years.

Eassom and colleagues say their brand of philosophy cuts to the root of some fundamental questions about the human condition. For example, what is an athlete, and for that matter, how do you define a human being? Sigmund Loland, a philosophy pro-

fessor from the Norwegian University of Sport and Physical Education of Oslo, said it is not farfetched to picture a future of cyborg athletes - part human, part mechanical With rapid advances in biotechnology and engineering, athletes will be

tempted to experiment with new ways to improve their game, he said. Eassom said some athletes who have trained using steroids have undergone dialysis to cleanse their blood

in advance of drug tests. "If athletes are prepared to go to those sort of lengths, it would kind of make sense that they would be prepared to go to the length of putting an artificial heart valve in them to make their blood pump better," Eassom

But will sports fans like it? Eassom thinks so.

There will be an element of a circus atmosphere — 'Oh let's go see the freak play.' But that will soon become commonplace," he said. "It's mass entertainment, and provided there are still the elements of suspense. drama and excitement, people are still going to watch it." Loland said the athletes at greatest

risk for seeking new body parts or blood chemistry are those pushing to break Olympic records. "We're looking at quite a drastic scenario," he said. "The logic of re-

cord sports is that enough is never enough. It's when victory means hundreds of thousands of dollars, then you have a problem because people will invest whatever it takes to win." Eassom predicts at least one sport

will stay cyborg free. "Golf is a game of life," the phi-losopher said. "This is a very difficult game and most people who pick up the golf clubs for a first time would never pick them up a second time."

CROSSWORD

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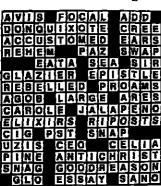
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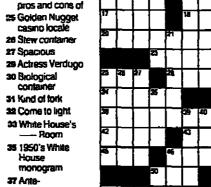
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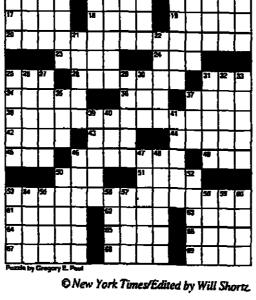
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Springboks Rally to Beat All Blacks scrum half. Andrew Mehrtens

DURBAN, South Africa - South Africa fought back from an 18-point deficit to beat New Zealand, 24-23, in the Tri-Nations rugby union series.

The Springboks trailed, 23-5. after 68 minutes Saturday. But Joost van der West-James Dalton all scored tries in the final 12 minutes.

New Zealand, which lost all four of its matches, will finish last in the Tri-Nations. South Africa and Australia meet in Johannesburg on Aug. 22 to decide first place. South Africa beat Australia, 14-13, in Perth on July 18. South Africa took the lead

Percy Montgomery joined the winger Stefan Terblanche, who touched down.

A raid down the left by

attack drew Eroni Clarke into surge down the right, Monta tackle and flipped the ball to gomery converted both tries, After that, New Zealand New Zealand half in the final took control and dominated the next hour's play.

kicked the conversion to give New Zealand a 7-5 lead. Then, Taine Randell, the

New Zealand captain and flank forward, scored under the posts after Isitolo Maka, the No. 8, had burst through the South African defense. Mehrtens again converted

huizen, Bobby Skinstad and and then kicked three penalty goals, the last of them in the 66th minute, as New Zealand took a 23-5 lead. Van der Westhuizen, the

South African scrum half, burst through the All Black defense following a scrum 22 meters (25 yards) from the line in the 69th minute. Skinstad, a flank forward who had come on at half time.

cutting the deficit to 23-19. After a lineout deep in the minute, the South African pack shoved their way over the All Black goal line and winger Jonah Lomu set up a Dalton, the hooker, touched try for Justin Marshall, the the ball down.



Stefan Terblauche, a South African winger, breaking a New Zealand tackle. Terblanche scored the first try

EOA

Sanders Runs Free As Reds Rout Expos

Montreal Has Lost Its Way on the Road

"CINCINNATI — Reggie Sanders

singled, doubled, tripled and scored four runs Sunday as the Cincinnati Reds took advantage of the Montreal Expos' ragged play to get a 8-1 victory and a

Montreal has the fewest road victories in the majors with 16 and has lost the first six on a nine-game road trip. The Brett Tomko (11-8), the Cincinnati pitcher, had a pair of hits, scored twice

NL ROUNDUP

and pitched seven innings. Tomko allewed one run on five hits and retired the last 14 Expos he faced. Scott Sullivan and Danny Graves each pitched perfect innings as the Reds retired the last 20 Expos in order.

The Expos committed their 120th errer—most in the National League—to let in two runs on one play and walked Dmitri Young with the bases loaded to force in another, helping the Reds pull

ahead 7-1 after five innings.

Sanders tripled, was hit by a pitch from Carl Pavano (4-6), doubled and singled in his four plate appearances in the first five innings. He scored each time, matching his career high, and came up short of the cycle when he flew out to the warning track in the seventh. In games played Saturday:

ds 6, Expos 4 Jeffrey Hammonds had three hits and lined a ball off the side of Mike Thurman's head, knocking the Montreal starter out of the game.

"Thurman went to a hospital for tests after Hammonds lined a ball off his right temple to start the Reds' second inning. A radar gun behind home plate clocked the liner at 108 mph.

Braves 5, Dodgers 3 Andres Galar-raga hit a three-run homer for the second straight game and John Smoltz won his sexth straight decision as Atlanta was victorious in Los Angeles.

Smoltz (11-2) won for the seventh time in eight decisions, striking out eight in seven innings.

Giants 4, Martins 3 In San Francisco, J.T. Snow hit a sacrifice fly in the 10th mning after San Francisco rallied from a 3-1 deficit in the sixth against Livan

The Associated Press
Jermaine Lewis touched the ball

five times, but that was enough to

produce 14 points and spark the Bal-timore Ravens to a 33-0 rout of the

New York Jets in an exhibition game

caught a 31-yard touchdown pass Sat-

first time in a preseason game under

Redskins 27, Oilers 24 Stephen

in Giants Stadium.

coach Bill Parcells.

Lewis Puts on an Exhibition

As Ravens Blank N.Y. Jets

Lewis ran back a punt 97 yards and fourth quarter.

urday as the Ravens improved to 2-0 conver, British Columbia, John in exhibition play. The Jets lost for the Becksvoort hit a 31-yard field go

Davis scored on a 1-yard run with Diego, Ryan Leaf, the Chargers'

2:38 left as Washington beat Ten-rookie quarterback, completed 13 of

nessee in the Oilers' first game in 22 passes for 200 yards and one TD.

Nashville. The game drew a crowd of He also scored his first rushing TD

After One Big Swing Sosa Tops 2 Stats

Sammy Sosa hit his 47th home run Sunday, tying him for the major league lead in homers and runs bat-

The Chicago Cubs slugger hit a solo home run in the fourth inning in Houston to give the Cubs a 1-0 lead over the Astros and draw level with Mark McGwire for the home run lead and with Juan Gonzalez of Texas for RBI lead with 119.

Astros S. Cube 4 In Houston, Terry Mulholland's throwing error with two outs in the 11th inning allowed the pinch-runner Tim Bogar to score, as Houston overcame a four-run deficit.

Rockies 7, Phillies 3 Mike Lansing went 2-for-3 and drove in two runs and Darryl Kile outdueled Curt Schilling as the Colorado Rockies beat visiting Phil-

Kile lasted seven innings and matched a season-high with eight strikeouts. He gave up three runs on eight hits before leaving after Gregg Jefferies doubled to lead off the eighth inning.

Cardinals 3, Pirates 7 Mark McGwire kept the beginning three works of the second of the

again, drawing three walks for the second consecutive game, but St. Lonis still beat visiting Pittsburgh. McGwire, who also flied out, struck out and singled, leads the majors with 130

ondbacks 4 John Olerud had three hits, including a homer, and Tony Phillips drove in the game-win-ning run as the New York Mets won in

 Major league teams tied a modern record Saturday by playing seven extra-inning games on the same day. The only other time that's happened since 1900 was on July 4, 1918, according to re-search by the Elias Sports Burean. On that day, there were 16 games, as every team played a doubleheader. On Saturday, there were 14 games.

olis, Brad Johnson threw his first

ended his season last December. Ran-

dall Cunningham added two more TD

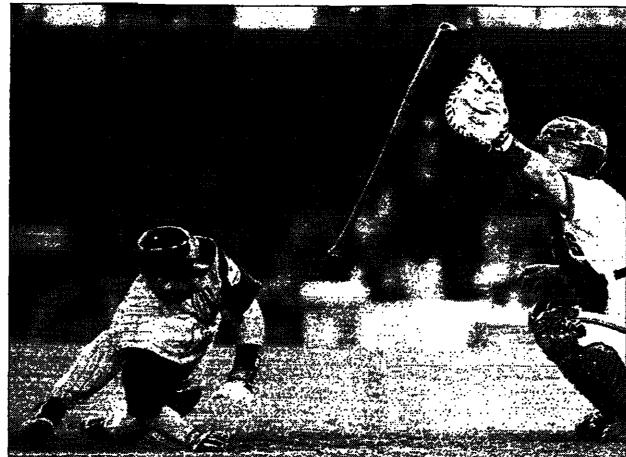
passes and the Vikings didn't allow Kansas City to cross midfield until the

with two seconds left to push San

and threw his first interception.

Chargers 41, Rams 27 In San

Francisco past Seattle.



Todd Greene, an Anaheim hitter, ducking a high pitch while Toronto catcher Kevin Browne watches the bat.

Johnson Giving Astros a Rocket Assist

Former Mariner Has Changed National League Playoff Picture

By Murray Chass
New York Times Service

In only two weeks it has become obvious that the presence of Randy Johnson will change the dynamics of the National League playoffs, maybe even the World Series. The significance of Johnson's role in the Houston Astros' quest to win their first pennant can be summed up in the reaction of Phil Garner the day after Johnson shut out his Milwaukee Brewers last week. "Oh man," the manager said, "this

guy's killing us." And he might do the same to the Atlanta Braves, the San Diego Padres and, yes, even the New York Yankees.

Johnson, the major leagues' most dominating pitcher, has again become a force, this time in a new league and a new division. Too much cannot be made out of his presence at the head of the Astros' starting rotation.

"I wish at negotiating times," Garner said, "that players realize the No. 1 starter should make most of the money. It's so obvious when you're the manager that when you have a No. 1 starter, it slots everyone else and makes it easier for everyone else. When you don't have a No. 1, the weaknesses show up. The No. 1 guy takes all the heat. He bears all the pressure.'

Lest anyone think that Johnson's performance with the Seattle Mariners — a 9-10 record and 4.33 earned run average indicated a pitcher in decline, listen to Garner again in his discussion of the likelihood that Johnson's uncertain and unhappy status before the trade affected his pitching.

"There's no doubt in my mind that's what happened," the Brewers' manager said. "My reports were he wasn't throwing very good, was erratic and didn't have good velocity. He wasn't the Randy Johnson we knew. But last night them.

there was no difference from what he did in the playoffs a couple years

In those playoffs, in 1995, Johnson personally escorted the Yankees out of postseason play.

The Yankees have not faced Johnson since that electrifying division series. They seemed to just miss him in subsequent regular-season series; he would pitch the day before or the day after a Yankees series.

Most recently they missed him be-cause he was traded. The Yankees were in Seattle at the time, and Johnson was scheduled to pitch the Sunday game. Instead he started that day for the Astros in Pittsburgh, and it was that game that should have started the Braves and the Padres thinking of the perils of Oc-

"He's already made a difference in the Astro club, and that will carry through to the postseason," Garner said. "The Astros are a better club this year than last. Last year they were a little awed by the playoff situation and they were outgunned by Atlanta. Don't count them out now.

Garner was making no predictions of an Astros' pennant, but he said, "They're a different club. They're extremely confident and play like they expect to win. Moises Alou has made them better. Johnson is going to make them a lot better. He's going to get a chance to make them better in two games in the first round of the play-

Before Johnson's arrival, the Astros were on their way to compiling the third-best won-lost record among the three division champions. But conceding them the NL Central championship was premature; the Chicago Cubs were only three and a half games behind the Astros and were considered a threat to

9. Jan Ulinich, Gemaany, s.t. 10. Paul van Hyffe, Belgium, s.t.

WORLD CUP STANDINGS (After 7 rej: 1. Bartoù 276 points: 2. Van Ban 181;

FOOTBALL

NFL PRESEASON

Atlants 7. Detroit 3 Carolina 12, Buffalo 7

Philiadelphia 21, Philisburgh 17

lacksonville 24. New York Glants 10

Since Johnson put his foot on the pitching rubber in Pittsburgh, though, the Astros won 10 out of 13 and raised their lead to nine games, Johnson won all three times he started, pitching shutouts in the

The spurt has placed the Astros in position to snatch one of the home-field advantage spots in the playoffs, a po-sition highly unlikely only a few weeks ago. Even if they don't get one of those two spots, they will have Johnson pitching two games in the division series and maybe three in the league championship

His presence means that Shane Reynolds and Mike Hampton don't have the burden of being the focal point of the playoff pitching rotation. By the time the Braves, the Padres, the Mets or whoever sees Nos. 2 and 3, they may be shell-shocked from their encounter with

'He's pitched some kind of awesome against us," Garner said. "He might as well go to the Hall of Fame right now." For now, Johnson and the Astros will settle for the World Series.

■ Do Homers Get Results?

Murray Chass also reported: Home runs are fun, especially when players hitting them are chasing the home-run record, but what do they

Fourteen players have hit 30 or more this season, and five play for losing teams. Ken Griffey and Alex Rodriguez

play for the same losing tean Last season 28 players hit 30 or more. Only two of the 13 National League players played on teams with losing records, but eight of the 14 American Leaguers played for losers. Then there was Mark McGwire, the 28th player, who played in both leagues. Both of his teams, Oakland and St. Louis, had losing records.

69-76-67—212 70-75-67—212 74-71-67—212 68-77-68—213 71-71-71—213 70-67-77—214 70-75-69—214 71-70-70—214 74-70-70—214

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Florie Flurry Strikes Out 10 for Tigers To Triumph

Bryce Florie struck out a career-high 10 and allowed five hits in 81/2 innings to lead the Detroit Tigers to a 6-4 victory over the Oakland Athletics on Sunday. Florie (6-6) allowed a solo homer to A.J. Hinch in the sixth and walked only

AL ROUNDUP

one in the longest outing of his career. He left after allowing one-out singles in the ninth to pinch-hitter Bip Roberts and

Scan Runyan came in and allowed a three-run homer to Matt Stairs off the facing of the roof in right field before Todd Jones got the final two outs for his 20th save.

Frank Catalanotto had his second three-hit game in four days and Bobby Higginson had two RBI singles for Detroit. Catalanotto hit his first career triple in the first off Mike Oquist (6-10) and scored on Higginson's single.

Detroit added two more off Oquist in the third. Deivi Cruz led off with a single, took second on Catalanotto's single, and scored on another Higginson single. Luis Gonzalez's sacrifice fly scored Catalanotto to make it 3-0.

Oquist (6-10) allowed six runs on eight hits and two walks in 61/3 innings. After allowing a first-inning single by Jason Giambi. Florie retired 10 straight batters, striking out the side in the second. Hinch broke up the shutout by leading off the sixth with a homer just

inside the left-field foul pole. Blue Jays 6, Angels 4 Toronto took a five-run lead in the fifth inning, hanging

on to beat visiting Anaheim.

Carpenter (8-6) didn't allow a hit until Jim Edmonds singled leading off the fifth. The 24-year-old right-hander, 5-1 in his last seven home starts, gave up all four runs and 10 hits in 834 innings. He struck out seven and walked one.

Paul Quantrill, pitching despite a stiff back, got the final out for his fourth save, retiring Gary Disarcina on a bouncer. Jeff Juden (0-1), making his second start since the Angels acquired him from

Milwaukee on Aug. 7, gave up five runs and seven hits in five innings. Juden, 0-6 in nine starts since June 26, struck out four and walked one.

Anaheim's Troy Glaus and Chris Pritchett hit their first major league homers. Glaus hit a two-run drive in the eighth and Pritchett added a solo shot in the ninth.

Toronto took a 4-0 lead in the fourth on consecutive singles by Shawn Green and Jose Canseco, Juden's run-scoring wild pitch and RBI singles by Jose Cruz Jr., Tony Fernandez and Darrin Fletch-

■ Griffey Ends Homer Drought

On Saturday, Ken Griffey ended a 12game home run drought, his longest in more than a year, hithing League-leading 42d as the Seattle Mariners beat the White Sox, 13-7, in Chica-

Griffey, who homered off Jaime Navarro in the first inning Saturday, had gone 54 at-bats since connecting July 30. He is second in the major league home run race, trailing Mark McGwire and Sammy Sosa, who both have 47.

31,429 at Vanderbilt Stadium.

SCOREBOARD BASEBALL 61 60 .504 46 73 .387 55 537 56 533 65 454 68 438 .615 — .549 8 .483 16 .475 17 .451 20 .443 21 45 76 ALLERO LEAGUE AMERICAN LEAGUE 000-4 8 2 100 000 100-13 15 3 Moher 15, Holzemer 17, and 10-9, L-Stein 4-7, 10-9 Highligen, Stieb (7), Sincloir (2), N. Roddiguez. (3). and Fletchez. W.—Watson. 5-7. Le-Hentigen, 10-9, 5y.—Peached (23). Buildiguere 125 933 0491—15 16 8 Cleveland 15 196 901—3 9 1 Mussina, Munax (9) and Holless Nagy. Villone (6), Karsoy (9) and Borders. W.—Mussina, 11-6. L.—Nagy. 10-8.

New York 007 T18 381-6 9 1
Sele, Gunderson (7), D. Putherson (3) and L.
Radriquez Petitite R. Mendaca (3). M.
Hivers (3) and Girardi. W.—Petitite, 14-6.
L.-Sele, 13-10, Su.—M. Rivers (22).
Sele, 13-10, Su.—M. Rivers (27).
Minanasatu 624 630 201-12 17 1
Baston 694 228 282-13 15 2
Serostial Ritchie (3), Baptist (5), Trombiey (7) and Steinbacht Waterfield, Lover (7), Swindert (8), Carolen (9) and Variate, W.—Lowe, 2-7. L.—Baptist 0-1. Se- Gardon (34). HRS—Minnesata. 7. Wester (10).
P. Comper (23). Shinbacht (1), Boston (23).

Stonley (2.0.

Stonley (2.0.

Seattle 951 989 619—2 9 1

Chicage 191 969 12s—14 16 1

Chicage 191 969 12s—14 16 1

Choode, 8. Wells (6. Spokaric Cr., Rodfiguez) 1

No. L—Cloede, 7-8. HRs—Chicage, F. R. Mendizor 1

No. L—Cloede, 7-8. HRs—Chicage, F. R. Mendizor 1

No. Tampa Bay 909 309 482—9 12 8

Kasses City 163 285 89s—11 13 9

Arrojo, White (4), D. Springer (6), Yon (7)

and Fisherip Hensey, Pilisier (7), Byrdisk (7), Sardisk (7), Sardisk (7), and MAISweeney, W.—Hensey, 5-5.

L—Arrojo, 11-9. Sv—Service (3), L.—D. Transpas Bay, B. Smith (3), McGriff (13), L.—D. Transpas Idy, B. Smith (3), McGriff (13), L.—D. Maxitreel (27).

Maxitreel 919 809 189—2 2 9

Maxitreel 919 809 189—2 2 9

Circles 1 9 90 189—2 2 9

Circles 2 919 809 189—2 2 9

Dipolo (9) and J. Reed, Manwaring (8).

W.—Kile. 9-14. i.—Gomes. 9-4.

HR.—Philadeiphia, Abreu (9).

Phistorys 900 903 901 299—7 10 7

St. Leuis 900 922 181 291—8 12 1

Peters. MLWilliams (6), Rincon (9).

ACCUTY (11) and Kandali D.Offrer,

Petitorsek (6), Croushore (8), Brantley (11).

Painter (12) and Mannera. W.—Pointer 4-0.

L.—McCurty, 1-2. HR.—Philaburgh, Kendali

(10), A. Martin (11), F. Garcia 2 (6). St. Louis,

P. Kelly (2), B. Jordan (19), Gant (19).

New York 201 909 200—5 11 1

Arizana 900 004 008—4 7 0

Reynose. McNichoel (7), Rejon (8). J.

Franco (9) and Pizzzy Walcott, W. Banks
(6), Choolward (7), Embrec (7), Chon (9) and
Stinnett. W.—Reynosa, 4-0. L.—Chonland, 0
2. Sv.— J. Franco (25). HR.—New York.

Olered (16). **JAPANESE LEAGUES** SATURDAY RESUL CENTRAL LEAGUE Horship 4 Hiroshima 3, Chunichi 1 Yomiod 10, Hanshin 2

861 800 836—16 19 2 410 888—5 12 9

CRICKET SRI LANKA VE. ENGLAND SUNDAY, IN LONDON England: 247 all out (49.3 overs) 5rl Lanka: 211 all out (49.2 overs) CYCLING

Arizono 27, Chicago 24

ESTURBAY RESULTS
Washington 27, Tennessee 24
Baltimore 33, N.Y. Jets 0 San Francisco 24, Seattle 21 Minnesota 34, Kansas City 0 San Diego 41, St. Louis 27 **CFL STANDINGS** EASTERN DIVISION

W L T Phs. PF PA
6 1 9 12 218 103
5 2 0 10 143 155
2 4 0 6 150 138
0 7 0 0 118 206 WESTERN DIVISION 5 2 0 10 220 159 1 4 3 0 8 134 174 GOLF PGA CHAMPIONSHIP Davis Love III Mark O'Meara Skip Kendall Tiger Woods Frank LickSter Frank Lickther
F. Allenby, Australia
John Cook
Greg Krafi
John Huston
Scott Gump
Andrew Magee
Russ Cochran
Scott Huston
Scott Huston Scott Hoch 2. Michele Bortoll, link, s.t. 2. Auto Dierokaris, Iray, 21.
4. Solvatore Commesso, Italy, s.t.
5. Nico Mattur, Belgium, s.t.
6. Christophe Mengium, Fautoc, s.t.
7. Alichael Rich, Germany, s.t.

Scores Saturday after the third round of 68-73-70-21 BBI Glasson Kenny Perry Lee Rinker Brag Faxon Hai Sytton Fred Funk Paul Goydes 69-72-70--211

ranegi; 1, Bartal 276 points: 2, Van Ban 181; 3. Francesca Casagrande, Italy, 151; 4. France Ballerini, Italy, 132; 5. Emmanuel Magnien, France, 130; 6. Andrel Tchmī, Belgium, 195; 7. Stefano Zanini, Italy, 118; 8. Rotf Jaermann, Switzerland, 110; 9. Andrea Toff, Italy, 110; 10. Erik Zabel, Germany, 104; Say Antorboe Bob Estes Scott Verplank Colin Mortgomerie, Brit. S. Leaney, Australia Dudley Hart Jeff Sluman Duffy Waldorf P. Johansson, Sweden P. Johansson. Sweder Mark Colcovecchia Croig Stadier P.H. Horgan III C. France, Panagray Glen Dey David Frast, S. Africa Emia Ets. S. Africa Citin Browne Joy Don Blake Jim Carter Nick Faldo. Britain Kevin Sutherland David Ogrin Brion Watts Steve Lowery Steve Lowery Mark Brooks Jeff Maggert Loren Roberts Joey Sindelor Jay Haas S. Marryama, Japan Brad Fabel Phil Mickelson

Bob Tway Ion Woosnam Fred Couples Billy Androde

Prai Muckeson Croig Party, Australia T. Dodds, Namibia Cirlis Perry Joe Czalii R. Kartsson, Sweden Ted Tryba Andrew Collort, Brit, David Sytherland Report Cellberry 70-74-76—220 70-75-75—220 77-68-77--222

HUNGARIAN GRAND PRIX Hungaroring, 77 laps: 1. Michael Schomocher, Germany, Ferrori,

1. Michael Schomacher, Germany, Ferran, 71 laps, one hoer, 45 minutes, 25.550 seconds;
2. David Cottinard, Britain, McLaren-Mercedes, 77, 9.433 seconds behänd; 3. Jacques Villeneuve, Canada, Williams-Maccachronte, 77, 44.444; 4. Damon Hill, Britain, Jordan-Magen Handa, 77, 55.075; 5. Heirz-Harald Frentzen, Germany, Williams-Mecachronte, 77, 56.510; 6. Milka Hakkinen, Finland, McLaren-Mercedes, 74, 1 lap behind; 7. Jean Alest, France, Saulper-Petranss, 76, 1; 8, 6; Alest, France, Squber-Petrones, 76, 1; 8. Gl-progrid Fisicheita, Italy, Benetion-Ploylife, 76, 1; 9. Rolf Schumocher, Germany, Jerdan-Mugen Hondo, 76, 1; 10. Johnny Herbert, Britain, Sauber-Petronas, 76, 1. DELIVERS' STANDENGE: 1. Holkiner. 77
points: 2. M. Schumacher, 70: 3. Coulifiord,

48; 4. Eddie Irvina, Irakand, Fernari, 22; 5. Villeneuve, 20; 6. Alexander Wuzz, Austria, Benetton-Playide, 17: 7. Fisichella, 15: 8. Frentzen, 10:9. Hill, 6: 10. Rubens Barrichello, Bruzil, Stewart-Ford, and R. Schumscher, 4. constructores STANDROSS 1.

McLaren-Menades, 125; 2. Fermi, 102; 3.

Benetion-Playlife, 32; 4. Williams-Mecachrome, 30; 5. Jordan-Mugen Hond, 10; 6.

Stewart-Ford, 5; 7. Arrows-Yemoho and

RUGBYUNION

WORLD CUP QUALIFYING Canada 38. Uruguay 15 Argentina 52, United Sixtes 24

SOCCER

DUTCH SUPIR CUP PSV Eindhoven 2. Akus Amsterdom 0
ENGLISH PERMEN LEAGOT
Blackburn Rovers 0. Derby County 0 Coventry City 2. Chelsed 1 Everton 0, Aston Ville 0

Manchester United 2, Lelcastor City 2

Middlesbrough 0, Leeds United 0

Newcostle United 0. Chariton Athletic 0 Sheffield Wednesday O, West Ham U Sheffield Wednesday to trees the wimbledon 3. Tottenham Holspur I Southampton 1, Liverpool 2 FRENCH FIRST DEVISION

FRENCH FIRST BYPISSO
Olympique Lyon 6. Toulouse 1
RC Lens 1. Losient 1
Le Hovre 2. Grondins Bordeaux 3
Monaco 4. Sochaux 1
Paris St Germoin 2. Bostle 0
Nomics 1. Strassburg 0
A.J Auserre 3. Nancy 2
Montpellier 3. Rennes 1
Mart B. Dhomaius Marselle 1 Montpellier J. Rennes 1
Mart D. Dhympique Morsellie 1
STANDINGOS: Monaco 6 points; Girondins
Bordeam & Olympique Marsellie 6: Olympique Lyon 4: Montpellier 4: AJ Austern 3:
Parts St Germain 3: Rennes 9: Namies 3:
Taulouse 3: RC Lens 1: Nancy 1: Le Havre 1:
Lorient 1: Metz 1: Strasbourg 1: Bestin 1:
Corberts 1:

GERMAN SUMPESLIGA TSV 1860 Munich 1, Kaiserslaviem 2 MSV Dulsburg 2, Eintrocht Frankfurt VfL Bochum 1, 5C Freiburg 2

VIL Bochum 1, SC Freibigg 2
Nuremborg 1, Hamburg SV 1
Borussic Moenchenglad, 2, Schalle 04 0
Herito Berfin 1, Werder Bramen 0
MAJOS 1, EAGNE SOCCIE
New England 2, Tompo Boy 1
Microl 3, New York-New Jersey 1
Chicago 2, San Jase 1
Dales 1, Colorado 0 Dollos I. Coloredo 0 STANDINOS: Eastern Conference—x-D.C. 48 points: NY-NJ 35; Columbus 30; Micmi 23; Tompo Boy 21: New England 20. Western Conference— Los Angeles 55: Chicago 37: Colorado 29: Dallos 28: Konsos City 26: San

hed playoff berth Kenya 9, Diibouti 1 (Kenya win 12-1 on aggregate) Burundi 1, Tanzania 0 (Burundi win 2-0 on aggregate)

TENNIS

SAN MARINO OPEN SATURDAY, IN SAN MARINO, ITALY SEMFMALS

Mariano Pueria. Argentina. del. Richard
Fromberg (3). Aostralia, 6-2, 3-4, 6-3; Domnik

Hrbaty (3) def. Puerta, 6-2, 7-5.

ATP CHAMPIONES IN MASON, 0490

Patrick Ratter (5), Australia, del. Petr Korda (3), Czech Republic, 6-4, 7-6 (10-8); Rorat (3), Czech Republic 6-4, 7-6 (10-6); Pete Sampras (1), United States, def. Vince Spader, United States, 6-3, 6-2. SemiFRMALS Sampras (1) def. Magnus Larsson, Sweden, 7-5, 2-4, 6-1; Rafter (5) def. Yevgeny

kov (8), Russki, 7-5, 6-0. ACURA CLASSIC

QUARTER-Busico
Martina Hingle (1), Switzerland, del. Serena Williams, United Slates, 6-4, 6-1; Lindsay

Castes, del. Natagina Dovenport (2), United States, def. Natz Zvereva (8), Belonus, 6-2, 6-3. Artentas Sanchez Vicario (3), Spain, Elona Tertarkova, Ukraine, 6-3, 6-3. SEMFINALS Hingis (1) def. Sonchez Vicario (3), 6-4, 6-4;

Davenport (2) def. Monica Seles (4), United States, 6-4, 6-2. TRANSITIONS

AMAREIM-Activoted Rith Jack McDowell from 60-day disabled list. Designated LHP Greg Codoret for assignment.
CLEVELAND—Optionad INF Enrique Wilson to Buffalo, IL. Put LHP Ron Villone on 15-day disabled list. Recalled LHP Tom Maninfrom Buffalo.

KANSAS CITY—Put LHP Glendon Rusch on 15-day disabled list. Optional LMB Time Indiana. 15-day discibled list. Oplianed LMP Tim Byrdak to Omaho, PCL. Recalled INF Shane

Hadler and RHP Bart Evans from On N.Y. YANKEES—Optioned RHP Mike Jerzembeck to Columbus, IL. Recoiled RHP Mike Buddle from Columbus. TEXAS—Assigned LHP Scott Boiles to NATIONAL LEAGUE ARCONA—Signed C Luis Uruefu.

MILWAUSCE—Put 18 John John on 15-day
disabled list. Recalled LHP Rafael Reque

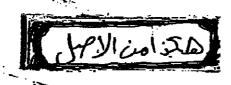
and OF Geoff Jenkins from Lou Optioned OF Brian Banks to Louis ST. LOUIS—Asked uncondition ers on 3B Gary Gaefti. SAN DIEGO—Put OF Tony Gwyns on 15-day disabled list. Recalled OF James, Mouton POOTBALL LÉAGUE

Signed OT Kevin Sargent to 3-year contract RB Joke Montes.
OL Octovis Long.
Released GB Chad May. MIAMI—Released GB Chad May. N.Y. JETS—Walved FB Dustin Johnson, Put

PITTSBURGH—Signed G Brenden Stoi to 3-

NATIONAL HOCKEY LEAGUE Los ANGELES Agreed to terms with G Manny Legace on T-year contract and G Alexey Volkov on 3-year contract. PHILADELPHIA—Signed

MICHIGAN-Signed Brian Ellerbe, mens



WORLD ROUNDUP

Schumacher's Unusual Tactics Give Ferrari Victory

Herald Eribune

SPORTS

Surging Steinhauer Wins British Open

GOLF Sherri Steinhauer, who started the Women's British Open with a 9-over 81, won the cham-pionship Sunday with a final round

The American charged up the leaderboard at Lytham St. Annes to win the title by one stroke from her countrywoman Brandie Burton and Sophie Gustafson of Sweden. She totaled a 4-over par 292. Burton, who shot a 71 and Gustafson, who scored 70, finished at 292.

Janice Moodie, a U.S. Tour rookie from Scotland, who led by one stroke going into the final round, scored 75 to finish 6 over in fourth place.

Steinhauer, winner of one major, the 1992 Du Maurier Classic, gained only her third professional title and a check for £100,000 (\$165,000).

Se Ri Pak, winner of four tournaments including two majors in her rookie season on the U.S. Tour, finished at 20 over after a final round 77.

Van Bon Wins Classic

CYCLING Leon Van Bon held off the World Cup leader Michele Bartoli in a furious sprint Sunday to win the HEW Classic in Hamburg.

Van Bon, a Dutchman who rides for the TVM tearn, started the sprint, jumping to the front of a pack of 13 riders with 500 meters left to edge Bartoli, an Italian with Asics, in a time of six hours, nine minutes and 28 seconds.

Ludo Dierckyens was third on the flat 253 kilometer (152 mile) course that wound through Hamburg and favored sprinters such as

England Beats Sri Lanka

CRICKET Graeme Hick struck a powerful 86 from 97 balls Sunday as England beat Sri Lanka by 36 runs in a one-day triangular series match at Lord's in London. England was all out for 247 in its 50 overs before dismissing Sri Lanka for 211. Darren Gough and Peter Martin swung the match England's way with three wickets in the first five overs of Sri Lanka's in-

Sampras in ATP Final

TENNIS Pete Sampras moved to within one victory of regaining the world No. 1 ranking, when he beat Magnus Larsson, 7-5, 2-6, 6-1, in the semifinals of the ATP Championship in Mason, Ohio.

Sampras struggled, losing his first set of the week, but bounced back with a break of Larsson in the second game of the third set.

In the final Sunday, Sampras faced Patrick Raft, who beat Yevgeni Kafelnikov, 7-5, 6-0, in the other semifinal Saturday.

The Associated Press **BUDAPEST** — Michael Schumacher used a clever pit-stop strategy to win the Hungarian Grand Prix on Sunday and close the gap on Mika Hakkinen in

the Formula One championship. Schumacher made one more pit stop than the other drivers. That allowed him to carry less fuel and outrun his rivals. He took the lead nearly two-thirds of the way through the 77-lap race, after all

HUNGARIAN GRAND PRIX

leading drivers had made their second pit stops. With less fuel to weigh it down, Schumacher's Ferrari gained more than a second a lap on the other cars. By the time Schumacher went in

for his third pit stop, he was far ahead.
Schumacher's fifth victory of the season gave him 10 points and left him trailing Hakkinen by only seven points with four races left in the championship. 'It was one of the nicest victories

I've had, it was outstanding." Schu-The German started from the second

row on the grid, after qualifying third. He stayed third until the second round of pit stops was completed. He took the lead on lap 46 and never relinquished Schumacher made another pit stop on

en-Mercedes, who was second. "It was a pretty difficult strategy. It didn't seem to be working at first," said Schumacher, who was fourth after his

lap 62 and still came out five seconds ahead of David Coulthard in a McLar-

Michael Schumacher of Germany in a Ferrari on his way to winning the Hungarian Grand Prix on Sunday.

"But it was a waiting game and after the second stop I had a clear run," he said. "I was pushing to the limit." He was cheered by thousands of Ger-

man and Ferrari fans blowing horns and setting off firecrackers.

Hakkinen, in a McLaren-Mercedes, started on the pole. Hakkinen and Coulthard quickly surged away from the field, opening a lead of almost two seconds after just three laps, and it in-McLaren-Mercedes pit stop. Schumachcreased when Hakkinen recorded a fast-

est lap on lap four. Schumacher made a quick pit stop on lap 43. He overtook Coulthard on the next lap when the Scot made a slow pit stop, and overtook Hakkinen on lap 46 after another slow

er, who was going flat out, surged away.
He did briefly lose control of his car,
slewing into the dirt, but he maintained
his lead. Hakkinen began to suffer problems with his car and dropped back
through the field. He finished sixth through the field. He finished sixth.

Coulthard was second, while Jacques Villeneuve, last year's winner in Hungary and Formula One champion, fin-ished third for the second race in a row

in a Williams. The German completed the race distance of 305.844 kilometers (190.043 miles) in one hour, 45 minutes, 25.550 seconds, clocking an average speed of

just over 174 kilometers per hour. Coulthard was 9.6 seconds behind Schumacher, while Villeneuve was 44.4 seconds off the pace.

"It's quite remarkable to win on three Coulthard said. "We are still in shock. It was pretty impressive.

Villeneuve said his power steering

broke down after 10 laps.
"We've been driving with power

steering for two years so it was pretty tough," the Canadian said. tough," the Canadian said.
"Halfway into the race all the lights in the car started flashing. I asked the pit about but they didn't answer so I

thought it was better not to know what it was," Villeneuve said.
Former champion Damon Hill was
fourth in a Jordan, while Heinz-Harak

Frentzen was fifth in the second Wil-

Schumacher is trying to become the first Ferrari driver to win the championship since Jody Scheckter in 1979. Schumacher has won the title twice with

Stricker and Singh Race Ahead to 4-Shot Lead

By Leonard Shapiro Washington Post Service

REDMOND, Washington - Steve Stricker and Vijay Singh, two men who have never won a major, pulled clear of the field in the third round of the PGA Championship.

Singh, a Fijian who has won five times on the U.S. PGA Tour, and Stricker, the Kemper Open champion, shared a four-shot advantage at the end of play Saturday.

In the past 10 years, the PGA has been won nine times by players who had never won a major. Among the eight players within five shots of the coleaders, only Mark O'Meara, Steve Elkington, Dav-

Singh had a wild ride, with two birdies and three bogeys on the front nine. But a run of four birdies in a five-hole stretch starting at the 11th hole and a stunning par save out of a fairway bunker at No. 12 allowed him to shoot 67 for a 7-under 203. Singh and

Stricker will be paired in the final round Sunday. 'I'm thinking about winning the tournament, but you can't be too confident because you can also get complacent," said Singh, a workaholic on the driving range who is trying to become the first man from his country to win a major title. "All the hours of practice, you hope your time will be soon, you hope it's tomorrow. Here's my chance."

Stricker will have the same opportunity. Coming

off a dismal 1997 season after a disastrous switch in clubs, he has righted himself in 1998 with seven top-10 finishes, five in his last seven events.

Saturday, with a bogey-free round and a remarkable par save at the 18th, he launched himself into the lead with a four-birdie, 4-under 66, calling

"one of the best rounds I've played under the

circumstances and the pressure. At the 18th, with a slightly downhill lie and 224 yards from the green, Stricker hit a 3-wood to the right into the tall trees, and his ball came almost straight down. Because a spectator accidentally moved it, he was given a free drop. He then knocked a low line-drive sand wedge under branches, and his ball came to rest six feet from the cup — "The best shot I hit all day," he said. He

made the putt to keep a share of the lead. Asked about the decision to use the 3-wood, Stricker said: "I was trying to fly it on the green,

PGA CHAMPIONSHIP

and I felt more comfortable

than I did a 2-iron." In June, Stricker played in the final round of the U.S. Open at Olympic with eventual champion Lee Janzen. Stricker shot 73 and finished tied for fifth and said he believes he can draw on that experience to help him deal with the pressure Sunday.

The co-leaders held a four-shot advantage over Love, the defending champion, who recovered after slipping to 1 over after six holes with a 69 to end on 207. The same total was posted by Elkington (69), the 1996 PGA champion, who has been plagued this year by injury and illness, and Billy Mayfair (67), still on a hot streak after winning last week at the PGA Tour event in Grand Blanc, Michigan.

Colin Montgomerie, another player looking for his first major victory, was a shot off the lead after 36 holes. A double bogey with a shot into the trees at the 444-yard No. 8 led to a round of 77, finishing

at 214, and leaving Europe's finest player out of

O'Meara, who was on 208 after a third-round 69, believed he still had a decent chance to join Ben Hogan as the only men to win three professional majors in a season. He was only two shots off the contention once again. lead going into the final round of both The Masters and British Open before rallying down the stretch

"I'm gonna have to make some birdies,"
O'Meara said. "I think I have a reasonable shot at it. I'm proud of the way I've played this week."

It was a day of fabulous scoring conditions, with emperatures in the high 60s and an overnight drizzle softening greens. In the morning, Greg Kraft set a course record with a seven-birdle, two-bogev round of 65 for 209, and hometown hero Fred Couples shot a 67.

Kraft, six shots off the lead, had a simple explanation for why so many players without major championship credentials are in contention.

This place does not put a premium on your driver," Kraft said. "A lot of guys here are ending up in the same place off the tee. Tiger Woods is playing the hole from the same place I am. It's just

a different club that got us there."
Woods continued to keep his driver in his bag and got off to a splendid start with a birdie at the 406-yard first hole after a 15-foot putt from the fringe. But the first-round leader began heading in the wrong direction when he pulled a series of

Despite his ball-striking problems, Woods continued to do magician's work all around the course. and a 25-foot birdie putt at the 417-yard 15th hole allowed him to finish with a 70 for 208.



Steve Stricker, joint leader after the 3d round, watching his shot hit the 18th green.



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